



## **EVALUATION OF ARKANSAS' TRANSITIONAL EMPLOYMENT ASSISTANCE (TEA) PROGRAM**

### **THIRD BIENNIAL REPORT: *Status Report on New Program and Service Delivery Initiatives***

**January 2006**



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### **Acknowledgements**

The Kaiser Group, Inc. is indebted to many individuals for their assistance in completing the research for this report.

Staff from Policy Studies, Inc. as well as the Central Arkansas Planning and Development District were open and cooperative in our discussions about the Case Management Pilot Program in Pulaski and Jefferson Counties.

Doug Miller, Kyla Pirani, Mark Lane, Lisa Fuller and Connie Nelson from the Arkansas Department of Higher Education provided valuable insight into the development and implementation of Career Pathways. The staff and students from Southeast Arkansas College, Ouachita Technical College, Southern Good Faith Fund and the Arkansas Association of Two-Year Colleges are also gratefully acknowledged and thanked.

As always, the central office staff from the Department(s) of Workforce Services and Health and Human Services were generous with their time. Specifically, Cindy Varner and Joni Jones patiently answered our questions to the best of their ability while in the midst of major program changes, and John Kennedy has offered continued support in locating important data and information.

Finally, Jessica Caldwell, Steve Guntharp, Dametrice Burke and Marika Ingram of the Arkansas Transitional Employment Assistance Board are gratefully acknowledged for their support and assistance.

The evaluation team included Jim Nitz, Maureen Bestland and Irene Brenon of the Kaiser Group, Project Manager Shawn Smith of Isthmus Research and Consulting, Jennifer Noyes of the Institute for Research on Poverty and Dana Reichert of the Sagamore Institute.

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### **Section 1: Executive Summary**

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The Transitional Employment Assistance (TEA) program has existed since July 1, 1997, when it was created as Arkansas' replacement for the former Aid to Families with Dependent Children (AFDC) program under the Temporary Assistance for Needy Families (TANF) block grant. Since that time, research has shown patterns of static outcomes related to the program's effectiveness in actively engaging TEA clients in work and work-related activities, their ability to retain employment, and the number of TEA clients that ultimately leave poverty. Concurrently, Arkansas accumulated a TANF budget surplus that at one point was more than \$80 million.

In 2005, recognizing the need to strengthen TEA program outcomes by improving and expanding TEA client access to services and resources as well as the need to meet anticipated higher federal performance expectations (specifically work participation rates), the Arkansas Transitional Employment Board (ATEB) and the Arkansas Legislature put into motion the most comprehensive program changes since welfare reform began. New program initiatives developed include a comprehensive effort to expand relationships with faith and community based organizations, an expansion of services and supports to TEA leavers, and dedicated funding intended to promote post-secondary educational attainment for low-income Arkansas parents. These program initiatives have been coupled with efforts intended to change how services are delivered to TEA clients, including contracting with private vendors for the delivery of case management services for the first time and, most fundamentally, transferring the responsibility for the administration of the TEA program to a new state agency.

These new program and service delivery initiatives can now be monitored under a newly established priority driven agenda developed by the ATEB in May 2005. These priority areas include employment and career readiness, family formation, personal development and workforce retention. The priority agenda is intended to identify areas of need for the TEA program to target services and focus outcomes. Accompanying fiscal monitoring tools have also been developed to compare expenditures to planned priorities.

If 2005 was the year of change, 2006 is the year of implementation. Therefore, the challenge to the Kaiser Group for this Third Biannual Report is to evaluate the progress of each new program or service delivery initiative in terms of its implementation status and overall prospects for impacting TEA outcomes by addressing issues related to the ATEB's priorities.

With respect to the status of implementation at this point on these new program and service delivery initiatives, the following observations can be offered:

1. **Progress has been made towards the fulfillment of an ambitious agenda.** Agency oversight and administration officials have been tasked with a complete overhaul of program operations simultaneous to the implementation of many new programs. While this ambitious agenda for change has resulted in some areas getting more attention than others to date, forward momentum has been generated with respect to how to reconfigure welfare programs in Arkansas.
2. **Many modifications to program operations have been made.** While more work remains to be done in all areas, there have been some notable positive achievements. Coordination between state agencies has improved as a result of the TEA transfer. Low-income students are being attracted to college as a result of Career Pathways. The Case Management pilot has resulted in better opportunities to connect with employers. The planning undertaken for Faith Factor serves as a blueprint for future efforts of the ATEB.
3. **However, full implementation of the ATEB's and the Legislature's intent with respect to these initiatives has not yet been fully met.** Despite the progress to date, work remains on all of the new program and service delivery initiatives in order for them to fulfill their intended objectives. Faith Factor has to date only realized one of four goals and changes are needed in both Faith Factor and Career Pathways in order to fully realize legislative intent. The administrative transfer of the TEA program has occurred; additional efforts will be needed to ensure this is followed by a change in the clients' experience.
4. **Changes to service delivery are difficult, and require careful planning with a specific end-goal in mind, close monitoring, and quick reaction to lessons learned.** The initial startup period to implement the case management pilot has been challenging for both vendors, but particularly so in Pulaski County. Areas of concern include coordination between the private vendors and DHHS/DWS, access and functional problems with the ANSWER system, staff training and compliance with TEA policy and procedure, lack of client contact and case file documentation and vendor payment problems. While monitoring and improvement of these issues is of utmost importance in their own right, they take on added gravity because they may serve to foreshadow several difficulties that may be faced during the larger TEA transition from DHHS to DWS. /significant administrative benchmarks with respect to the TEA transition have been met, there remains a need for strategic thinking regarding the integration of TEA into the workforce development system in order to fully transform the culture and climate of how TEA clients access available services and supports.

5. **Full implementation of these program changes require a better linkage between expected outcomes and their measurement.** The link between the goals and how to measure progress towards the achievement of those goals is missing in most cases for these new program and service delivery initiatives. The organizations through which services have been procured under the Faith Based Community Investment Program show varying degrees of sophistication in terms of their ability to monitor and track program outcomes. Key information for Career Pathways is either currently unavailable or is too cumbersome to obtain. More planning and development is needed to ensure Work Pays meets the stated goal of increasing workforce retention. The development of specific benchmarks from which to gauge the progress of the TEA transfer has not been completed.
6. **Knowledge about the initiatives impact on expected outcomes is hampered by inadequate information technology systems.** Early lessons from the Case Management pilot indicate that ANSWER does not provide the needed tools to improve case management though agency officials indicate new programming will ameliorate these deficiencies. As another example of how information technology is not being used to maximum utility to support program management, Career Pathways is currently reliant upon a patchwork of systems and databases that is neither sufficient nor efficient.
7. **The ATEB must continue to develop its capacity as it relates to leadership and follow through.** Although the ATEB has become more proactive in its allocation of resources toward new program and service delivery initiatives, this is not enough. It should also guide administrative decision making with respect to these new program and service delivery initiatives. The ATEB and staff have a significant challenge ahead to provide such consistent leadership and follow through. In particular, ATEB staff support is an area that needs to be expanded if the ATEB is interested in serving in both a service procurement and service oversight capacity.
8. **There is opportunity to address the issues raised in this report to ensure that these initiatives have their intended impact.** In most cases, oversight and administrative agencies have between now and July 2006 to implement the suggestions contained in this report. However, issues associated with the ATEB's capacity as well as administrative agency infrastructure will need to be addressed to better enable this to happen.

In conclusion, while it is premature to evaluate the success of the new program and service delivery initiatives in terms of their ability to ultimately meet the ATEB's service goals, some preliminary benchmarks have been met. However, progress to date relates mostly to administrative functions and it is imperative that the ATEB ensure that the changes, in the end, enhance the experience of TEA clients.

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#### **Section 2: Introduction**



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The Arkansas Transitional Employment Board (ATEB) is charged in state statute with a broad role in the design and implementation of Arkansas' welfare reform program: Transitional Employment Assistance (TEA). The ATEB has the authority to approve budgets; review the Temporary Assistance for Needy Families (TANF) State Plan that must be certified by the U.S. Department of Health and Human Services; develop a performance management plan; coordinate the activities of all state agencies involved in the program; and monitor the progress of the program towards meeting performance targets. In addition to these roles, the ATEB is further charged to have a strategic role in carrying out the program's vision. Specifically,

“The Arkansas Transitional Employment Board is designed to be an agent of change and challenge to the existing federal, state, and local agency service delivery mechanisms. The challenge shall be to ensure that persons on transitional employment assistance are getting the assistance, the information, and the services needed to help these low-income persons become self-sufficient.”<sup>1</sup>

To be an “agent of change,” the ATEB needs program outcome information upon which to base its decision-making. Therefore, the ATEB also has the authority to contract for an independent evaluation of the TEA program.

For state fiscal year (SFY) 2006, the Kaiser Group, Inc. is the TEA Independent Evaluator. This is the Kaiser Group's third report; it has previously submitted two reports pursuant to its responsibility to evaluate the TEA program.

The Kaiser Group's First Biannual Report, issued December 2004, was a review of the coordination between the TEA program and the Arkansas Workforce Centers (AWCs). Based on more than 60 interviews as well as other available information, the Kaiser Group's overall finding was that deliberate coordination at the local level between the Department of Health and Human Services (DHHS) and AWCs was rare.<sup>2</sup> The report's primary recommendation was that the ATEB establish a vision as it related to the relationship between TEA and the Arkansas workforce development system, particularly how the TEA program and its clients could be more fully integrated into the system.

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<sup>1</sup> All referenced Arkansas code can be found on the link below with a search for “Transitional Employment Assistance.” <http://170.94.58.9/NXT/gateway.dll?f=templates&fn=default.htm&vid=blr:code>

<sup>2</sup> At the time of the First Biannual Report, the current Department of Health and Human Services (DHHS) was known as the Department of Human Services (DHS). The agency was renamed in 2005 Act 1954. For the purposes of this report, the agency will be referred to by its current name, the Department of Health and Human Services (DHHS).

Service integration was intended to ensure that the benefits and supports available through the workforce development system could be accessed by TEA clients in order to assist them in their efforts to become self-sufficient.

The Second Biannual Report issued by the Kaiser Group in June 2005 took a broader view of the TEA program and provided an update on the progress being made in achieving its intended outcomes. For this report, a variety of information sources were used to analyze TEA services, employment placements, wages, job retention, and the extent to which leavers were successful in their attempts to move out of poverty. The report concluded that—despite some success in moving TEA clients into employment—the level of earnings and employment retention over time has fallen below targeted outcomes. As a result, very few leavers escape poverty.

This Third Biannual Report focuses on the significant events affecting the TEA program that have occurred since the release of the Second Biannual Report. One set of events has been driven by the ATEB; the other has been driven by the Arkansas Legislature.

First, since June 2005, the ATEB has pursued a variety of initiatives that had been approved in the previous year. In particular, the ATEB:

- Procured targeted “Faith Factor” services through the Faith-based and Community Initiatives Investment Program Request-for-Proposals,
- Launched an expansion of the Career Pathways program, and
- Implemented a service delivery redesign—the Case Management Pilot—in Pulaski and Jefferson Counties through the use of competitively selected private vendors.

While important in their own right, the pursuit of these initiatives reflects a more significant change in the ATEB and its functioning: each of these initiatives was undertaken under the umbrella of a priority-driven agenda designed and approved by the ATEB. Previously, the Kaiser Group had observed that the ATEB was more of a coordinating body than a source of direction and leadership. Since this observation was made, however, the ATEB has taken steps to develop and articulate a list of priority areas designed to serve as the foundation for a more proactive management approach to the TEA program. The ATEB identified these priorities at board retreat held in May 2005. They include:

- 1) Employment and Career Readiness,
- 2) Family Formation,
- 3) Personal Development,
- 4) Workforce Retention, and
- 5) Program Operations and Administration.

The final SFY 2006 TEA budget is organized based on these program priorities. For example, Faith Factor is categorized and tracked as an initiative designed to meet the ATEB's priorities related to personal development; Career Pathways is categorized and tracked under employment and career readiness; and the Case Management Pilot is categorized and tracked under program operations and administration.

Second, the Legislature, through its passage of 2005 Act 1705, has also put into motion new program and service delivery initiatives related to the TEA program. Although the ATEB and administering agencies were consulted during the legislative session, the following new program and service delivery initiatives mandated by the law were largely developed independent of direct ATEB action.

- An "Arkansas Work Pays" program to provide a cash payment incentive and supportive services to TEA leavers who work at least 24 hours per week and meet federal work participation expectations.
- A "High Wage Education and Training Initiative" to provide for education and training of low-income TEA clients and others wishing to enter high-demand occupations.
- A "Community Investment Initiative" to fund locally based initiatives intended to improve outcomes for youth, parenting and family functioning, marriage and relationship skills, services for parents leaving prison and child-only cases, as well as others.

However, the most fundamental program change directed by the Legislature is the transfer of the TEA program to the Department of Workforce Services (DWS), which impacts the program's day-to-day management and implementation.<sup>3</sup> The Legislature intended the transfer of TEA to have profound impact on the provision of services to TEA clients.

To some extent, the ATEB has incorporated these legislative changes into its new structure for managing the TEA program based on articulated priorities. The Work Pays program is categorized and tracked under workforce retention and the TEA transfer is categorized and tracked under program operations and administration. In addition, as will be discussed further in Subsections 4a and 4c of this report, the High Wage Education and Training Initiative is similar to—but does not directly mirror—Career Pathways. Likewise, the Community Investment Initiative is similar to the Faith Factor initiative, but is broader in programmatic scope.

This report evaluates the progress of each new program or service delivery initiative in terms of its implementation status. It is organized as follows:

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<sup>3</sup> Act 1705 technically refers to the agency as the Arkansas Employment Security Department (ASD). However, the agency was renamed the Department of Workforce Services (DWS) in 2005 Act 1705. The name that is currently in effect will be used throughout this report.

Section 1 is an Executive Summary of the reports findings and recommendations.

Section 2 is this Introduction.

Section 3 is a description of evaluation Methodology.

Section 4 discusses the new program initiatives and includes the following subsections:

- Subsection 4a discusses Faith Factor, and specifically the Faith and Community Based Initiatives Investment Program,
- Subsection 4b is a status report on the development of Work Pays, and
- Subsection 4c is an analysis of the implementation of Career Pathways.

Section 5 discusses the new service delivery initiatives and includes the following subsections:

- Subsection 5a discusses the case management pilot, and
- Subsection 5b is a status report on the implementation of the transfer of the TEA program and the TANF block grant from DHHS to DWS.

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#### **Section 3: Methodology**

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The information for this report came from a variety of sources.

#### **On-Site Visits**

Field visits and on-going communications with Arkansas state staff from a variety of agencies, including DWS, DHHS, the Department of Higher Education (DHE), and the ATEB, are a continual research strategy. On-site evaluation visits have been made in all but one month since July 2005.

Additionally, on-site visits were conducted in December 2005 with officials from Policy Studies, Inc. (PSI) and the Central Arkansas Planning and Development District (CAPDD) to discuss the Case Management Pilots in Pulaski and Jefferson counties. Kaiser Group staff reviewed background documents and reports, interviewed managers, supervisors and direct service staff at each site, conducted a file review with a small sampling of case files, conducted follow up telephone interviews with key staff, and had follow up contacts with several key DHHS central office staff.

In the structured interview process, Kaiser Group team members met with eleven staff from PSI in Pulaski County and eight staff from CAPDD in Jefferson County. The interview tool contained questions about staffing structure, coordination issues, data systems, initial client contact, the intake process, assessment, employability planning, service referrals, ongoing case management, monitoring, job development and placement.

#### **Administrative Data**

Administrative data related to several of the initiatives, particularly Career Pathways and the Case Management Pilot, was requested. Data related to performance measures, number of clients referred and served and outcomes information were collected and analyzed by researchers.

#### **Review of Relevant Research, Policies, and Reports**

Extensive analysis of the following research, policies and reports was also completed as part of the evaluation:

- Research and policy materials related to programs similar but not identical to Work Pays from the states of Illinois, Pennsylvania, Washington, Indiana, Connecticut, California, Oregon, and Minnesota.
- Individual campus implementation plans from the colleges granted funding under Career Pathways.

- Program and fiscal policies and procedures developed by DHE for Career Pathways.
- ATEB meeting minutes, notes and proposals relating to Faith Factor, Career Pathways, the Case Management Pilot and the TEA transfer.
- Extensive analysis of the program proposals selected for award under the Faith Factor request for proposals (RFP) process.
- An array of materials related to the TEA transfer, including the Memorandum of Understanding (MOU); sequential versions of transfer descriptions, staff orientation and training materials, and staff transition matrices; Transition Workgroup meeting minutes and agendas; and statutory guidance.
- Case management pilot program materials including plans, contracts, and related process materials.

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#### **Section 4: New Program Initiatives**

This section discusses the implementation status of three new program initiatives.

- Subsection 4a addresses Faith Factor,
- Subsection 4b evaluates the status of Work Pays, and
- Subsection 4c analyzes the implementation of Career Pathways.



## **Section 4a: Faith Factor**

### **Introduction**

Faith and community based service providers deliver many different social and related services such as after-school tutoring, job training for ex-offenders, substance abuse treatment, parenting education for fathers and youth development and mentoring. Particularly in low-income communities, these faith-based and community organizations (FBCOs) are often the only providers of these services. It is reported that members of the local community develop an open trust and reliance upon these entities.

While these providers have a keen understanding of the most needy communities in which they provide services, they may lack the organizational sophistication that enable them to compete successfully for many types of sustainable funding. Despite good intentions, some service providers have not been exposed to best-practice approaches to designing high quality programming and accountability standards that are often expected by funders, particularly government.

Among the many changes included in the 1996 welfare reform legislation, was the "charitable choice" provision which clarified the extent to which faith-based organizations could be considered for service contracts with government entities. While charitable choice does not create a special pool of resources or require government entities to use faith-based organizations, it does require that government entities receiving certain federal funds provide equal access to faith-based organizations on the same basis as other non-profit service providers. Further, charitable choice is meant to protect faith-based service providers from unfair discrimination while allowing them to maintain their religious character, personnel and environment. It is also designed to protect clients of services by prohibiting the use of government funds for religious purposes and by requiring that secular alternatives be available to those who do not want services from a faith-based provider.

Because of the ATEB's focus on self-sufficiency for low-income families and increasing awareness of the range of services needed to move families from welfare to work, facilitating a more strategic approach to utilizing community resources was a natural progression in furthering the ATEB's overall mission. Hence, the creation of the Faith Factor initiative within the ATEB was not only complimentary to the Governor's stated public policy priorities, but offered a tangible opportunity to connect organizations with financial resources that furthered the state's service goals.

This Subsection discusses efforts by the ATEB to connect with FBCOs through the creation of the Faith Factor initiative and by the Legislature through the recently enacted Community Investment initiative. It provides specific findings and recommendations.

### Faith Factor Goals and Activities

To establish a targeted approach to engaging faith-based and community organizations, the ATEB established the Faith Factor initiative, which included the development of a strategic plan and the hiring of a director in the fall of 2004. The Faith Factor initiative's mission, established in 2005, is to promote "collaboration and partnership between Faith-based and Community based organizations, foundations, businesses, and government in the delivery of effective social services to low-income families and individuals."<sup>4</sup> In pursuit of this mission, the stated goals of Faith Factor are to:

1. Engage willing organizations committed to transitioning individuals/families from welfare to work. This is to be accomplished by fostering better relationships with FBCOs; building government partnerships with FBCOs; creating awareness about the interest of government working with FBCOs; and creating a more inviting environment for FBCOs to interact with government by reviewing, revising or changing government procurement strategies.
2. Empower these organizations with resources to implement and manage social services programs. This is to be accomplished by the provision of financial resources to FBCOs not traditionally engaged with government funding sources.
3. Enhance the capacity and infrastructure of smaller grassroots organizations to provide effective services. This is to be accomplished by providing technical assistance and training on organizational management, financial management, program development, evaluation and monitoring, and best-practice approaches to service delivery.
4. Expand the base of available services/programs to promote self-sufficiency of individuals. This is to be accomplished by developing new service opportunities that allow FBCOs to compete for funding in order to implement services in local areas.

Faith Factor staff identified a series of steps designed to promote ways for FBCOs to partner with government, increase awareness about funding opportunities and introduce opportunities for capacity building while simultaneously initiating an internal look at how government could become more engaging towards FBCOs. These steps, contained within its strategic plan, included:

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<sup>4</sup> Faith-Based & Community Initiatives, FY2005 Strategic Plan.

- Establishing a more “faith-friendly” atmosphere by evaluating and revising government documents, procurement procedures and practices that would provide a less-intimidating environment more reflective of the spirit of the charitable choice provisions.
- Reaching out directly to FBCOs to build much needed goodwill and also allow for information exchanges that provide a foundation for building service partnerships and more productive relationships with state government.
- Creating opportunities to exercise newly developed relationships and apply revised standards of engaging FBCOs through the use of TANF dollars.

The ATEB strategic plan detailed a series of specific activities under each of these steps.

### The Community Investment Initiative

Simultaneous to the emergence of the Faith Factor strategic plan and the ATEB's May 2005 decision to allocate resources towards its implementation, 2005 Act 1705 also authorized TANF resources for the development of the Community Investment Initiative. The Community Investment Initiative was designed to allow the ATEB to contract with private or community organizations, including faith-based organizations, to offer services and support to parents, children, and youth.

Specifically, 2005 Act 1705 authorized the ATEB to authorize DWS to contract for services designed to:<sup>5</sup>

1. Improve outcomes for youth through academic achievement, job skills, community involvement or reducing risky behaviors;
2. Improve parenting and family function through services and supports to parents, children and families;
3. Improve marriage and relationship skills among youth and engaged and married couples;
4. Improve financial and emotional connections of non-custodial parents;
5. Improve the employment skills and family connections of parents exiting correctional institutions; and
6. Provide supportive services.

Specific funding parameters related to the Community Investment Initiative were further delineated by the Legislature in 2005 Act 2183, which dictated the following with respect to how much should be spent over an eighteen month period:<sup>6</sup>

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<sup>5</sup> Act 1705, §20-76-446

<sup>6</sup> Act 2183, page 9 and 10.

1. At least \$1 million shall be for improving outcomes for youth;
2. At least \$500,000 shall be for improving parenting and family functioning;
3. \$500,000 shall be for marriage and relationship skills;
4. At least \$500,000 for fatherhood programs;
5. At least \$500,000 shall be for family and employment services for ex-offenders; and
6. At least \$500,000 shall be for services to child-only TEA cases.

Finally, 2005 Act 1705 also directed the ATEB to authorize contracts with state agencies or community organizations to provide training and capacity building services to organizations eligible to apply for Community Investment Initiative funds.

Given that the legislative intent of the Community Investment Initiative closely paralleled portions of Faith Factor—both are designed to expand the base of available services and enhance service capacity in communities—ATEB staff initially assumed that the Community Investment Initiative could be subsumed within the overall Faith Factor initiative. This was due in large part to the fact that Faith Factor goals and activities were designed to be more comprehensive than simply a focus on service initiatives. However, the availability of TANF funds to support services led to a priority being placed on the disbursement of these funds through the Faith-based and Community Initiatives (FBCI) Investment Program.

#### The Faith-based and Community Initiatives Investment Program

The ATEB's focus on empowering FBCOs with resources to implement and manage social services programs resulted in the development of a RFP with \$2.2 million in TANF funds that was to be allocated to up to 30 organizations.

Four service priorities were identified:

- 1) after school enrichment
- 2) youth development/mentoring
- 3) family strengthening
- 4) life-skills/job skills training

Four target populations were also identified:

- 1) welfare-to-work individuals/families
- 2) at-risk youth
- 3) ex-offenders
- 4) substance abusers.

Eligible respondents were limited to seven target counties: Craighead, Crittenden, Jefferson, Mississippi, Phillips, Pulaski, and St Francis. The counties represent high proportions of adult, time-limited welfare cases, and were thought to be the most likely to benefit from an influx of new services. A goal of the process was to identify at least two projects from each of the seven target areas.

The FBCI Investment Program RFP yielded applications from 90 organizations, of which 66 were scored and evaluated. The remainder were not scored because they did not provide all of the information required under the RFP or were not submitted on a timely basis. Proposals were scored and then ranked on evaluation criteria that included Program Design (30 points), Organizational Capacity (25 points), Project Need (15 points), Outcomes and Performance Measures (10 points), Monitoring and Evaluation (10 points), and Budget (10 points).

The top 30 of those scored and evaluated were selected to receive contracts ranging from \$25,000 to \$75,000, although most organizations requested funding at or near the ceiling of \$75,000. Of the 30 organizations selected:

- one is a Community Development Center,
- 10 identified themselves as faith-based organizations,
- 13 identified themselves as a community organization,
- 6 indicated that they were both a faith-based and community organization.<sup>7</sup>

As can be seen in Table 1, which provides a duplicated count of the self-identified service priorities included in the proposals, each of the four identified service priorities were addressed in multiple proposals for which funding was provided.

Table 1: Service Priorities of Selected Proposals\*

County	After School	Youth Development	Family Strengthening	Life Skills and Job Skills	Total
Craighead	1	2	2	2	7
Crittenden	2	2	0	0	4
Jefferson	3	4	4	2	13
Mississippi	1	2	1	2	6
Phillips	1	2	1	2	6
Pulaski	5	4	5	5	19
St. Francis	2	1	2	1	6
<b>Total</b>	<b>15</b>	<b>17</b>	<b>15</b>	<b>14</b>	<b>61</b>

\* Each proposal could address multiple service priorities.

Source: Kaiser Group, Inc.

<sup>7</sup> There is no legal definition of what constitutes a faith-based organization. Hence, organizations can choose to self-identify themselves as a faith organization which may or may not match the generally understood characteristics of a faith-based organization.

As of February 1, 2006, contract negotiations between the 30 selected organizations and the ATEB were ongoing. ATEB staff do not anticipate services under the contracts to begin until March 1, 2006.

## FINDINGS

**Overall, the Faith Factor initiative appears to be a well-planned and articulated project with a clear mission, goals and objectives.** Serving as a complimentary effort to the Governor's Office of Faith-Based Initiatives, the ATEB Faith Factor initiative has been effectively established with a focus on low-income families and the stated goals of engaging and empowering faith-based and community organizations to be service providers to this population.

The initiative has clearly articulated goals and a defined series of objectives, methodologies and strategies designed to meet these goals. While attention to the development of goals, objectives and methodologies is not in itself unique, these efforts represent a clear and deliberate effort of the ATEB to plan and execute a service initiative. Moreover, given past recommendations regarding the ATEB's need to define more clearly not only its spending strategies but its programmatic strategies, the Faith Factor initiative demonstrates progress in this area.

**While the ATEB initiated activities related to the achievement of each of the Faith Factor's four goals, only one of these goals—empowering FBCOs with resources to implement and manage social services programs—has been achieved.** Faith Factor staff have been focused on the administration of the FBCI Investment Program RFP, including its development, the subsequent scoring of responses, and current contract negotiations. This clearly meets the initiatives' third goal of providing financial resources to FBCOs not traditionally engaged with government funding sources. However, because the contracts have not yet been implemented and the services provided, whether a related goal—the expansion of the base of available services/programs to promote self-sufficiency of individuals—will ultimately be fulfilled needs to be monitored in the future.

In addition, the two remaining goals related to engaging FBCOs and enhancing the capacity and infrastructure of smaller grassroots organizations have not been systematically pursued. Related to engaging FBCOs, some efforts to engage organizations and state agency representatives occurred through face-to-face meetings unrelated to the RFP process, but the full implementation involving the review of procurement practices, increasing funding access, and creating a "faith-friendly" environment within state government was not yet evident.

Furthermore, a decision to not pursue the procurement of a dedicated vendor for capacity building area appears to contradict the ATEB's stated interest in making an investment in FBCOs for the purpose of partnership opportunities. However, some capacity building could be accomplished by ATEB and agency staff themselves.

**In relation to the one goal that has been pursued—that of empowering FBCOs with resources to implement and manage social services programs—at least three concerns can be raised about projects selected.**

**First, the majority of projects selected for funding did not have clearly identified and measurable performance measures or evaluation plans.** The RFP document was very clear in its direction regarding the importance of both measurable and quantifiable ways to gauge progress. The proposal evaluation criteria provide specific guidance as to the importance of both measuring performance and evaluating progress.

In particular, the RFP states that “Performance measures should cover the project period, with targets set for each quarter in providing data and/or results. At a minimum, we expect programs to report on an output performance measure at the end of each quarter. At the end of the project period, outcome measures will determine the overall success and impact of the proposed program.” In addition, projects were to “state the outcomes that are anticipated to be achieved against reasonable indicators/factors to measure the impact of the program. Consider your Program Design, stated goals and objectives to the extent by which the project can be evaluated for its performance and results.”

With limited exception, proposals selected for funding had a generalized goal statement, but lacked the mechanisms that would actually contribute to the measurement of a goal. Further, they were not quantifiable in real terms. One proposal demonstrates this point by defining its’ goal as reducing dependency on government benefits, with associated “performance measures” being job placement and the receipt of substance abuse treatment. While these activities contribute to the overall goal of reducing dependency, there is nothing to quantify this impact (i.e., how much of a particular thing will cause one to determine that dependency is reduced). Without a specific link to the programmatic elements of the service intervention (i.e., what the program actually provided), there is no way to tell how the program activities contribute to meeting the overall goal.

In addition, many of the articulated program goals are overstated given the duration of the contract period (1 year) and the amount of available funding. As admirable as it may be to “reduce poverty” or “end dependency,” these goals are not likely realistic within the limited time and funds available through the FBCI Investment Program, even for the most sophisticated organizations. Recent contract meetings between ATEB staff and vendors reportedly addressed the concern over a lack of measurable performance outcomes, however, documentation of this has not yet been reviewed by the Kaiser Group.

**Second, some of the projects do not appear to have a good understanding of TANF eligibility requirements.** As allowed by federal law, the FBCI Investment Project targets a potential service population that expands beyond the traditional welfare client and related service initiatives extend beyond traditional welfare services. However, services designated for low-income parents related to employment and certain life skills require that eligibility be determined.<sup>8</sup> This means programs must establish that the adult is the parent of a minor child and the parent has income below the specified threshold of 200 percent of the federal poverty level. Few of the proposals addressed how they intended to perform this eligibility function. While the RFP allows for DHHS to have a final say regarding eligibility, it appears that some selected organizations lack an understanding of this provision and its necessity as a condition for the use of TANF funds.

**Third, a high proportion of project costs are attributed to agency administration, which may detract from resources expended on Faith Factor services.** The total project costs for administration should not exceed 15 percent of the total project budget. However, in a review of the initial proposals, the overwhelming majority of programs had administrative costs that exceeded 25 percent; some were as high as 75 percent. A large proportion of costs went to pay for executive or director salaries, in addition to full (in most cases) cost of leasing program space. These are allowable expenditures, but for existing organizations that already provide services, these costs should be proportionate to the particular duties related to the proposed service. This administrative cap was clearly explained within the RFP document itself, in addition to separate documentation explaining what constituted an administrative cost.

However, it is worth stating that the ATEB noted this concern when the proposals were brought before them and directed staff to address this issue as a part of final contract negotiations. ATEB staff indicate that they have met with each organization and negotiated new allocations. Because the process was still unfolding as of the production of this report, the Kaiser Group was unable to analyze the modified proposal budgets.

Finally, agency officials also tell the Kaiser Group that DWS is planning to train these organizations on financial practices and that it is the intent of the ATEB staff to use available funding from Faith Factor to procure for additional technical assistance in this area of financial reporting.

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<sup>8</sup> Federal requirements specify that services meeting TANF goals 1 (to provide assistance to needy families) and 2 (to end dependence of needy families on government benefits by promoting employment, job training and marriage) be limited to those parents meeting certain income thresholds that must be defined by the state.



**Relying on Faith Factor, and in particular the FBCI Investment Program, to meet legislative intent regarding the Community Investment Initiative may not be adequate.** There are two main reasons why the ATEB may need to make additional efforts to meet legislative intent regarding the Community Investment Initiative beyond Faith Factor.

First, the range and scope of projects funded under the FBCI Investment Program represents only a subset of activities for which the Legislature has designated funding. Although many organizations indicated they would provide services in more than one priority area, the service delivery priorities in addition to the target populations described within the proposals themselves suggest a clear focus on services for youth. This fact has been substantiated by an analysis undertaken by ATEB staff which shows that over \$1.4 million is dedicated to youth services while just under \$400,000 is geared towards parenting and family functioning. The remaining legislative priority service areas have only approximately \$75,000 in dedicated funding each at this time.

Table 2 compares the priorities addressed in the proposals funded through the FBCI Investment Program to those delineated by the Legislature in 2005 Act 1705.

Table 2: Comparison of Proposal to Legislative Priorities

Faith Factor RFP Priorities	Community Investment Initiative Priorities					
	Improving outcomes for youth	Improving employment skills of ex offenders	Improving parenting and family functioning	Improving marriage and relationship skills	Improving financial and emotional connections of non-custodial parents	Providing supportive services to child-only cases <sup>9</sup>
After school enrichment	X					X
Youth Development	X					X
Family Strengthening			X	X	X	
Job skills/life skills		X	X		X	

Source: Kaiser Group, Inc

Second, without substantial effort, projects do not appear to be readily positioned for a performance-based agreement as required by 2005 Act 1705, which states that "contracts shall include performance-based payments keyed to participation in services and specified outcomes."<sup>10</sup>

<sup>9</sup> The FBCI RFP was not clear with regard to service provision for child-only cases. Although it states that youth services may be provided to those under the guidance of a caretaker, elsewhere the RFP states that services provided to people who are not parents of minor children will not be considered.

<sup>10</sup> §20-76-446(f)

More specifically, the RFP document itself appears in conflict with the intent of Act 1705 in that it specifies payment terms for selected organizations will be made on a monthly basis, but without specifying that payment will be tied to performance.

On-going contract negotiations are still occurring, so it is possible that these issues can potentially be resolved. But given that many organizations lack the foundation to begin this process, it is not clear the extent to which a true performance-based payment mechanism will actually be achieved.

## RECOMMENDATIONS

***ATEB staff should use the strategic plan of Faith Factor as a blue print for establishing other activities it will pursue.*** The parameters set forth within the strategic plan can serve as a model to be replicated as staff continue to review and monitor proposals from other agencies seeking to expend TANF funds. Because the strategic plan itself contains good examples of concrete—and related—goals and objectives in addition to the actual activities that will be performed to meet the goals and objectives, it provides a foundation for staff to draw upon in further understanding the minimum amount of information expected from a proposed initiative (whether their own or that of another agency or organization).

***The ATEB should either 1) revise and re-determine the Faith Factor's goals and objectives if priorities have changed, or 2) fully implement activities articulated within the strategic plan to meet all four of the initiative's stated goals.*** Pursuit of the FBCI Investment Program will provide an avenue for engagement between government and FBCOs by highlighting the potential mutual benefits of this partnership, but will only do so while the partnership exists. For the larger goals of the Faith Factor initiative to be realized, efforts to engage FBCOs beyond the existing funding opportunities must take place.

***Both FBCOs and state agency staff need technical assistance to define, articulate and measure the performance of their service initiatives appropriately.*** Ideally, fulfillment of this expectation could be accomplished by the implementation of the capacity building goals of the Faith Factor initiative and the Community Investment Initiative. Identifying an appropriate entity to provide both immediate and long term technical assistance such as client recruitment, program monitoring and performance benchmarking should be a high priority for ATEB staff.

***Immediate technical assistance should be provided to the organizations selected through the RFP process to ensure proper eligibility determination processes are in place, including required documentation of clients served.*** Sample eligibility forms and processes were included with the RFP package. This procedure has been endorsed by federal administering agencies and is a straightforward and simple process that organizations can easily adapt. Training on the use of this form, or a related procedure, should be conducted.

***ATEB staff need to develop a plan to meet legislative intent regarding the Community Investment Initiative and the investment of specific amounts of TANF funding for dedicated purposes.*** It appears clear from the analysis that not enough funding is yet being dedicated to several target areas including ex-offenders, child-only cases, fatherhood programs or marriage and relationship skills. However, other ATEB activities may help bridge this apparent gap. For example, although it does not appear that these were officially undertaken as a part of the stated "Community Investment Initiative", the ATEB voted in December 2005 to allocate approximately \$1 million each for the "Women and Children Transitional Living and Reunification Pilot Program", which targets ex-offenders as well as a "Kinship Caregiver Services Demonstration", which targets child-only TEA families.

***ATEB staff should continue to monitor FBCI administration.*** Although officials indicate that new budget allocations have been negotiated and will soon be finalized, a regimented financial monitoring process is warranted to analyze administrative costs.

***The ATEB needs to evaluate its immediate and long-term interest in fulfilling the goals of Faith Factor.*** The existing strategic plan is certainly viable, but in need of attention and forward momentum. Should the ATEB determine an interest in continuing Faith Factor, it will need to focus staff to perform these functions, in addition to reviewing its interest in continuing the stated objectives contained within the strategic plan.

## **Section 4b: Work Pays**

### **Introduction**

In Arkansas as in other states, welfare reform efforts are intended to make work more attractive than public assistance. As noted in previous evaluations of the TEA program, current efforts to support work under TEA have produced job entries, but not generally long-term job retention. Work Pays seeks to enhance the workforce connections of TEA leavers by using enhanced earnings supplements, a modification to the state time limit, and supportive services. Different states have implemented varying “work pays” models and extensive research on the effects of these incentives has been conducted by the Manpower Research Demonstration Corporation (MDRC). The research suggests that such programs have an affect on earnings and employment outcomes, some of which appeared to meet policy goals and some of which did not.<sup>11</sup>

This Subsection discusses the newly created Work Pays program and contains findings and recommendations related to its implementation.

### **Description of Work Pays**

2005 Act 1705 included specific language creating a new program using TANF funding called “Work Pays.” The following are the specific parameters of the program.

*Eligibility*— Enrollment in Work Pays is limited to low-income TEA leavers who meet all of the following criteria:

- have care or custody of a related minor child,
- are a citizen or qualified alien,
- have income below the poverty level,
- sign and comply with a Personal Responsibility Agreement,
- reside in the state,
- apply within six months of leaving TEA after being on TEA for at least three months, and
- have not received Work Pays benefits for more than 24 months.

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<sup>11</sup> See, “Does Making Work Still Pay? An update on the Effects of Four Earnings Supplement Programs on Employment, Earnings and Income.” By Charles Michalopoulos, MDRC. Issued August 2005.  
<http://www.mdrc.org/publications/414/full.pdf>

Most significantly, eligible TEA leavers enrolled in Work Pays must be in paid work activities for at least 24 hours per week and meet the federal work participation rate, which requires 30 hours of total participation in work or work-related activities. For continued eligibility, TEA leavers must continue to be in paid work activities for at least 24 hours per week for one of the previous three months and three of the previous six months and meet the federal work participation rate.

Enrollment is limited to 3,000 families. If the number of families on Work Pays cash assistance is nearing the enrollment limit, the ATEB may authorize a reduction in the number of months for which families may receive Work Pays (in three month increments) to manage enrollment within the established cap.

*Time Limit*—Federal TANF regulations allow states to provide cash assistance for up to 60 months in an individual's lifetime. However, states are authorized to develop shorter time limits at their discretion. In Arkansas, TEA program participants have a lifetime eligibility limit for cash assistance of 24 months. Work Pays allows TEA leavers another 24 months of cash assistance eligibility provided that they work in paid work activities for at least 24 hours per week and meet federal work participation requirements.

*Earnings Disregard*—States can also use what are called “earnings disregards” to reward work. Earnings disregards “ignore” wages from work and thus allow clients to remain eligible for cash assistance even as their total income increases. The higher the disregard, the more income that can be earned without having it count negatively against the client in terms of its impact on welfare benefits.

Under Work Pays, TEA leavers who enroll in the program have 100% of their earnings disregarded if they work at least 24 hours per week, meet the federal work participation rate, and continue to have income below the poverty line. For comparison, a TEA leaver not enrolled in Work Pays who works 24 hours per week at \$6.50/hour would have an annual income of \$8,049 a year. If that same person is eligible and enrolls in Work Pays, the additional cash assistance of \$204 a month would make their annual income \$10,497.

*Services*—Arkansas Code § 20-76-444 (3) stipulates that eligible applicants shall receive one or more of the following under the Work Pays program:

- monthly cash assistance equal to the maximum benefit for a family of three with no income,
- support services,
- medical assistance, or
- employment assistance.

*Employment Bonuses*—TEA leavers enrolled in Work Pays are also eligible for employment bonuses. Specifically, Work Pays is designed to provide financial incentives at three different points in order to encourage:

- TEA clients to close their case and move into Work Pays,
- Work Pays clients to stay employed, and
- Work Pays clients to eventually leave Work Pays and continue to work at least 24 hours per week.

In addition to these incentives, Work Pays will also continue to provide work supports such as child care and other employment supports that are, at a minimum, on par with those currently provided to TEA clients. Work Pays clients are eligible for these supports for up to two years provided they continue to work at least 24 hours per week, meet the work participation rate, and have income below the federal poverty level.

Finally, DWS is directed in statute to work with local offices to develop and administer services to Work Pays clients that are designed to help them move into higher-paying jobs that are available in their area.

## FINDINGS

**Given the significant work that remains to be completed in order to implement Work Pays, questions can be raised as to whether the program will be fully operational by July 1, 2006, as intended.** Agency officials from both DHHS and DWS have been handed a tremendously ambitious task by 2005 Act 1705: to manage the transfer of the TEA program from one agency to another while also simultaneously implementing the most major program changes to TEA since welfare reform itself in 1997. By their own account, agency officials prioritized other mandates in Act 1705, and therefore no policy or program design materials related to Work Pays were available as of early January 2006. State agency staff also indicate that there remain fundamental questions about legislative intent that need to be resolved.

The result is that the implementation timeline released at the end of January for Work Pays contains the following ambitious deadlines:

- A two week deadline for policy development,
- A one week deadline for policy comments to be received by case managers in the field, and;
- A one-day deadline for changes to be made to policy in response to comments received from the public, including the Bureau of Legislative Research.

Because there is no leeway in the implementation timeline, any unanticipated program development need or issue could delay the effective date of Work Pays.

**Statutory requirements regarding the implementation date of Work Pays were not met.** The ATEB should have notified the Governor that it recommended the effective date of Work Pays be July 1, 2006. Act 1705 stipulated that the effective date for the Arkansas Work Pays program may be delayed up to July 1, 2006 if the ATEB certified to the Governor that the transfer of the TEA program would not take place until January 1, 2006, or later. It does not appear that the ATEB so notified the Governor until after the January deadline had been passed. Therefore, technically, Work Pays should have been implemented effective January 1, 2006.

**The administration of the Work Pays program will be complicated.** The specific statutory language that mandates TEA leavers must both be in paid work activities for at least 24 hours per week and meet the overall federal work participation rate (which requires 30 hours per week of participation) for one of the last three and three of the last six months will be difficult to implement and monitor.

From the client's perspective, they will have to "make up" additional hours of participation if they work less than 30 hours per week. Administratively, in each week of each month case managers will need documentation from the client that quantifies both their hours of work and additional participation.

**Work Pays has the potential to increase work participation rates.** The high level of work and work-related activities mandated to be eligible for Work Pays (24 hours plus an additional six hours) mimics federal work participation rate standards. This is important because the reauthorization of the TANF program as included in the Deficit Reduction Omnibus Reconciliation Act of 2005 enacted February 8, 2006, makes a number of changes to the TANF program.<sup>12</sup> One of the most significant changes is that, in modifying the caseload reduction credit, it effectively increases the number of clients receiving cash assistance that must comply with work participation requirements.

Prior to the Act's passage, states have been allowed to reduce the percentage of cash assistance clients required to meet work participation requirements—currently set at 50 percent—by the percentage decline in their cash assistance caseloads since 1995. However, the caseload reduction credit will now be based on caseload declines since 2005. As a result, beginning October 1, 2006, states must meet a 50 percent work participation rate in order to avoid federal penalties, unless the rate is adjusted downward because of caseload declines below its 2005 level for reasons other than changing eligibility rules.

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<sup>12</sup> See <http://www.aphsa.org/home/bud-rec-bill-docs.asp>

The effect this will have on Arkansas, as well as other states, is profound. Where Arkansas used to be able to use a caseload reduction credit of 45 percent, based on caseload declines since 1995, it will now be limited to the extent to which the caseload has or will fall from a baseline year of 2005.

Although Arkansas' caseload continues to decline, the declines are significantly less than they were in the early years of welfare reform. Therefore, in all likelihood, Arkansas will have to almost double its work participation rate—from the current 27 percent to 50 percent—by the anticipated effective date of the bill: October 1, 2006.

It is anticipated that implementation of Work Pays will affect the work participation rate by:

- 1) increasing the number of families receiving cash assistance, which will increase the number of individuals subject to federal work participation requirements, and then;
- 2) simultaneously increasing the number of clients meeting federal work participation requirements because this is a requirement of Work Pays participation. As a result, implementation of Work Pays should increase the overall proportion of cash assistance cases that are meeting the work participation rate, allowing Arkansas to avoid federal penalties.

**Work Pays creates inequities between those who have been on cash assistance and low-income working adults who have never received cash assistance through the TEA program.** Work Pays is designed to supplement the income of TEA leavers whose wages remain below the poverty line; it does not reward the work efforts of other similarly low-income Arkansas citizens who have never received welfare benefits. This is because eligibility is limited to TEA leavers who have been on cash assistance for at least three months. As a result, the gateway to Work Pays and the potential benefits it offers is former welfare receipt. This potentially runs counter to the prevailing philosophy in Arkansas that work should be more attractive than public assistance.

**Work Pays will have a significant—though unclear—fiscal impact on Arkansas' TANF budget.** It is difficult to assess how much Work Pays will cost without a fuller understanding of the program design, which is still unfolding. To illustrate the difficult nature of developing such an estimate, the following are observations offered related to the Work Pays budget that was developed by DHHS in 2005, which is reflected in Table 4.



Table 4: Initial DHHS Budget Estimate for Work Pays

Line Item	Annual	Assumptions
<b>Clients</b>	3000	Full caseload will be reached within the first year
<b>Cash Assistance</b>	\$4,000,000	19,500 case months at \$204 per month
<b>Bonuses</b>	\$1,000,000	\$150 employment bonuses for 250 monthly closures and 75 percent of closures receive job retention bonuses of \$250 per month.
<b>Child Care</b>	\$2,000,000	Assumes additional costs related to more need for TEA leavers
<b>Employment Supports</b>	\$3,000,000	65 percent of annual WISE expenditures
<b>Administration</b>	\$5,000,000	System costs for start-up and case management of Work Pays clients
<b>TOTAL</b>	<b>\$15,000,000</b>	

Source: DHHS

*Clients*—In 2005, the average number of TEA clients whose cases closed due to employment each month was approximately 300. Assuming this pattern remains constant, that would equal 3,600 employment closures per year. Although there are likely duplicate case closures from returning cases leaving more than once per year, these are offset by the fact that most employment closures would have to be working relatively consistently to have their case close for an employment related reason.

A leaver survey conducted by the Hudson Institute in 2004 indicated that 85 percent of employed leavers worked at least 26 hours per week or more.<sup>13</sup> Therefore, there is evidence to support the DHHS conclusion that Work Pays is likely to reach the 3,000 client cap within the first year of program operations if it is marketed aggressively and managed appropriately. However, some clients may leave Work Pays depending on the nature of the incentive structure designed to entice clients to leave the program and continue to work.

*Cash Assistance*—This line item could vary tremendously. DHHS assumes the caseload for Work Pays will be added in proportional increments, gradually reaching the 3,000 cap in July 2007. It is possible, however, that clients may learn about the program and enroll in waves. This could increase the cash assistance line item if the 3,000 cap was reached in January 2007, six months ahead of expectations, because the full caseload multiplied by the monthly benefit costs would then be carried for a longer period of time.

<sup>13</sup> See Hudson Institute Sixth Biannual Report, page 55.

*Bonuses*—As previously noted, there are three specifically designated cost points outlined in the law for which DWS is responsible for developing incentive payments: at enrollment, for employment retention, and at case closure if work is maintained. Agency officials concur with The Kaiser Group that this line was originally underestimated.

*Child Care*—Kaiser Group concurs with DHHS that this is a difficult estimate. One variable that was not mentioned in the DHHS estimate, however, is that child care payments may be necessary for a small number of clients who are pending authorization from the regular child care subsidy program and thus may not be reflected in the numbers of clients that will be added to the subsidy itself.

*Employment Supports*—Kaiser Group believes this line item is also underestimated. Part of the theory of the Work Pays program is that TEA does not do enough currently to support client efforts to remain employed. DHHS budget estimates are based on 65 percent of current annual Work Information System Exchange (WISE) expenditures for employment supports provided to the existing TEA caseload. This does not appear to be realistic, however, given that the existing caseload is working less than what will be required of Work Pays clients; even budgeting 100 percent of annual WISE expenditures would likely not cover needed expenses for Work Pays families.

*Administration*—An argument can be made that using DHHS time motion studies to estimate the time it takes to case manage working families—which is the basis of this estimate—may not have much relevance to the time it could take case managers in a different service delivery system under DWS.

## RECOMMENDATIONS

***The ATEB needs to become more involved in the development of Work Pays.*** The ATEB has a statutory responsibility to provide leadership in policy and budget arenas for all programs that affect TEA clients. Work Pays has the potential to impact the outcomes of TEA leavers more substantially than any other new program initiative. Concerns have been raised with respect to the implementation timeline and its ability to shape policy direction, the ongoing clarifications needed with respect to what will be required for a leaver to become and remain eligible for Work Pays, the disparity created by Work Pays in relationship to services available more generally to the working poor, and the significant and—to this point—unquantifiable costs of the program. There are significant developmental decisions to be made and the ATEB has the right and responsibility to guide those decisions based on its stated priority of promoting workforce retention.

***The service delivery model for Work Pays should take maximum advantage of DWS services.*** It is implied in the legislation that there is an expectation that Work Pays clients will have access to a more ambitious job retention effort than that currently offered to TEA clients.

The MDRC research also indicates that the most successful program models directly marry job placements and retention to earnings supplements. The fact that the TEA program and the TANF block grant are being transferred to DWS from DHHS creates an opportunity for this to occur that might not have otherwise existed.

The state of Washington provides one model to be considered. It enhances employment connection and retention through use of the Washington Post-Employment Labor Exchange call center. The call center is staffed by case managers who field and respond to calls from clients who are working. They provide a variety of retention services such as information on resources available, resolving on-the-job issues, information on training and assessment opportunities and other services. This kind of immediate connection to concentrated post-employment services is necessary and important for Arkansas.

In addition to considering creative approaches to providing services, Kaiser Group also recommends DWS designate, where feasible, specific case managers as Work Pays retention specialists who focus exclusively on Work Pays and other employed TEA leavers. This will allow those case managers to focus more on the unique service needs of low income working families. Ideally, these specialized case managers should also serve other target populations in the AWCs and should function cohesively in a call center approach, if adopted.

***Information technology systems should be tailored to allow close monitoring of Work Pays performance.*** As will be discussed in Section 5a related to the Case Management Pilot program, there continue to be serious questions about the ability of the current configuration of ANSWER to meet case management needs. Most importantly, monitoring related to the requirement that a TEA leaver work 24 hours per week and otherwise meet federal work participation rates places a large importance on case management tools such as information technology systems.

## **Section 4c: Career Pathways**

### **Introduction**

The TEA program has historically allowed and encouraged post-secondary education for its clients. Specifically, TEA clients are allowed to count participation in college work study programs, vocational education and the pursuit of education towards a bachelor degree as an allowable TEA activity.

In 2005, two recent actions were developed to address both the accessibility to and the success of post-secondary education for low-income parents in Arkansas. They are the Career Pathways program and the High Wage Education and Training Initiative Act 1705. This Subsection discusses the implementation of Career Pathways, including the extent to which it has been incorporated into the High Wage Education and Training Initiative as directed by the Legislature.

### **Career Pathways History**

The Career Pathways program was developed to improve postsecondary educational attainment rates for adults in Arkansas. Created as a partnership between the Arkansas Association of Two-Year Colleges (AATYC), the Southern Good Faith Fund (SGFF), the Arkansas Department of Higher Education (DHE) and Arkansas Department of Workforce Education (DWE), it's primary purpose was to address the "education gap" as a vehicle through which the "economic gap" could also be closed. Frequently mentioned in narrative justifications for spending on higher education is a publication entitled, *Miles to Go* completed by the Center for Business and Economic Research at the University of Kentucky on behalf of the Southern Education Foundation.

According to the study, Arkansas' lower levels of education explain 69 percent of the difference between the per capita income of Arkansas and the rest of the nation.<sup>14</sup> According to DHE, only 27 percent of young adults in Arkansas are enrolled in college, compared to a national average of 40 percent.

Originally funded as a pilot project by the National Governors Association in January 2003, the model upon which Career Pathways is built was first pursued by the Southeast Arkansas College (SEARK) in Pine Bluff. What makes the pathways model different is that it specifically caters to non-traditional students by combining extensive student support, remedial education offerings, and a close linkage to high wage and/or high demand occupations.

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<sup>14</sup> See, "Miles to Go—Closing the Economic Gap: Education in the Arkansas Economy." Southern Education Foundation.

According to DHE, “a career pathway is a series of connected or sequential education courses with an internship or on-the-job work experience and enhanced student and academic support services.....this pathway starts with employability skills and progresses through an associate degree to a bachelor degree.”<sup>15</sup>

In fall of 2004, when the ATEB expressed an interest in funding new projects and proposals using TANF funds, the SGFF, AATYC and DHE proposed an expansion of Career Pathways to begin in January 2005. The ATEB approved the Career Pathways project with an \$8 million annual budget, with most of the 11 participating colleges receiving an individual annual allocation of \$550,000. In addition, the initial budget included a line item to hire a firm for a public information campaign for \$300,000.

The following are some of the selected elements of Career Pathways:

*Eligibility*—An eligible student must be a parent of a minor child and be either a current or former TEA client, food stamp recipient, or Medicaid client or have income below 200 percent FPL. DHE estimated that 193,000 Arkansas citizens are eligible under these parameters.

*Services and service delivery*—The purpose of the program is both to entice students who otherwise would not pursue higher education by offering a “remedial” pathway and to improve the retention of nontraditional students by offering more supports for the college ready. As a result, students are initially placed in either an “adult education” pathway similar to Workforce Alliance for Growth in the Economy (WAGE) or a regular “college credit” pathway.

The service design calls for Career Pathways to offer a full range of free instruction, tutoring, assessments, and work supports like child care and transportation to participants. Participating colleges are obligated under the project to hire additional staff to meet student needs.

Eleven colleges were awarded Career Pathways funding beginning in July 2005. Colleges may build on existing programs or build new programs with these dollars. Programs could include the following:

- Bridge programs, from adult ed or remediation to college,
- Specialized training for high demand sectors,
- Curriculum development for bridge programs,
- Mapping of occupations to help student advising, and
- Extensive student support.

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<sup>15</sup> “Arkansas Career Pathways—Level Two” Submitted by Arkansas Department of Higher Education to ATEB in November 2004.

*Outcomes*—Beyond the general goal of improving the educational credentialing rate of adults in Arkansas, specific program objectives include:

- Improved work participation rates,
- Enhanced basic skills/reduced rates of placements in adult education and remediation,
- Increased attainment of college level certificates and associate degrees,
- Improved job retention, advancement and wage progression,
- Reduced welfare recidivism, and
- Increased self-sufficiency.

### High Wage Education and Training Initiative

During the formative stages of the Career Pathways expansion, legislation was enacted as part of 2005 Act 1705 that also addressed the provision of post-secondary education to TEA clients and other low-income adults.

The purposes of the High Wage Education and Training Initiative are delineated in Arkansas Code § 20-76-445(b)(1)(2). Specifically, the Initiative is to:

- increase the access of low-income parents and other individuals to education credentials that qualify them for higher paying jobs in their local areas,
- improve the preparedness of the workforce for high skills and high wage jobs,
- develop training courses and education credentials after consulting local employers and local workforce boards to identify appropriate job opportunities and needed skills and training to meet their needs,
- provide resources on the basis of performance incentives relating to clients enrolled, completing courses, obtaining jobs in the targeted job categories and staying employed in the targeted job categories, use available TANF funds for clients who have custody or responsibility for a child under 21 and whose family income is below 250 percent of the FPL, and
- incorporate the existing Career Pathways Program.

The Initiative is to be a joint effort of DWS, DHE, and the Workforce Investment Board. DHE is to contract with state agencies, two-year colleges, local governments or private/community organizations to provide education and training that will result in job training certificates or higher education degrees for TEA clients and other low-income adults. The plan for the Initiative, as well as recommendations regarding which two-year college proposals are to be funded under it, are subject to the ATEB's review and approval.

## FINDINGS

**Career Pathways has been successful in attracting students.** Outreach to the potential student population has proceeded on two primary fronts. First, in August 2005, DHHS sent letters to 35,000 TEA clients, food stamp recipients, and Medicaid clients in the service areas of the first five participating colleges. In a visit with six students from two different schools, each of them indicated that this letter was instrumental to their subsequent enrollment in Career Pathways.

Second, a public relations firm received a \$442,820 subcontract from the AATYC to launch a multi-media campaign that included broadcast and print media, logo development, brochures and posters, direct mail and a website. Reportedly, the selected firm has completed several media campaigns in the higher education field, although it does not appear that this project was competitively bid.

Between July and December 2005, the first colleges implementing Career Pathways received applications from 668 students. Of these, 621, or almost 93 percent, ultimately enrolled in the program. 101 of the enrolled students, or 16.3 percent, are current TEA clients. However, these five colleges have had varying degrees of success in attracting students. In particular, Pulaski Tech had enrolled only four students while Black River Technical College had not enrolled any students.

**Overall, participation in the program is equally distributed between students who are enrolled in college credit programs and students enrolled in adult education or basic skills offerings.** However, as reflected in Table 5, different schools had different proportions of the kinds of instruction students were participating in. Of the 99 TEA students for which information was available, 67 were enrolled in college and 32 were enrolled in adult education or WAGE. (Information about the four students enrolled in Pulaski Technical College, two of which were TEA clients, was unavailable as of the production of this report.)

Table 5: Distribution of Students in Career Pathways  
December 2005

College	Enrolled in College Credit Courses	Enrolled in WAGE or Adult Education Courses	Total
Arkansas State University-Newport	60	17	77
Phillips Community College	99	12	111
Southeast Arkansas College	23	94	117
Pulaski Technical College	unknown	unknown	4
Black River Technical College	0	0	0
Ouachita Technical College	43	104	147
Cossatot Community College	59	24	83
East Arkansas Community College	0	0	0
Arkansas Northeastern College	28	54	82
Mid-South Community College	0	0	0
<b>TOTAL</b>	<b>312</b>	<b>305</b>	<b>621</b>

Source: DHE

**Given the limited amount of time that has elapsed since Career Pathways was expanded, there is insufficient information available to evaluate its success in meeting the program's overall goals.** As indicated in the introduction, beyond the general goal of improving the educational credentialing rate of adults in Arkansas, Career Pathways has several specific program objectives. At this time, however, there are several important unknown variables that prevent a conclusion from being drawn related to the success of Career Pathways in meeting its objectives.

The first variable is that data is not yet available on all the different kinds of successful completion. An individual is defined as successful Career Pathways completer if any of the following has been met (depending upon the Pathways plan for the individual student):

- A raised TABE score to a level 8 or higher,
- Completion of a GED,
- A WAGE or similar Employability, Clerical or Industrial certificate,
- A college issued Certificate of Proficiency,



- An Associate Degree,
- Completion of a four-month work-study, internship or OJT program, and/or,
- Getting a job, promotion or increase in wages.

Based on the information available through December 2005, there have been 142 successful completions out of a total of 621 students enrolled, for a completion rate of 22 percent. For TEA clients, the completion rate is 19 percent (20 of 101). However, because information about each of the possible completions was not currently available—DHE had not yet, for example, collected information about the number of students who are increasing their TABE scores—these data do not present a complete picture of what has occurred. In addition, no information was available about the number of students who were still enrolled in their coursework and thus could not yet be expected to have completed their educational efforts.

The second variable is that work participation and employment information availability must be queried through DWS and was not available for the production of this report.

**It is not clear whether Career Pathways is successfully helping graduates obtain jobs in high demand/high wage occupations.** One way to begin the analysis about the success of the program in placing clients into high wage/high demand occupations is to analyze the offered curriculum itself. Career Pathways is currently focusing on the following occupations:

- |                                      |                                |
|--------------------------------------|--------------------------------|
| • Child care                         | • Manufacturing                |
| • Health care                        | • Teaching                     |
| • Welding                            | • Truck driving                |
| • Nursing                            | • Computer Automated Design    |
| • Explosive detection                | • Industrial maintenance       |
| • Engineering                        | • Behavioral health technology |
| • Office administration              | • Service industry             |
| • Medical administration             | • Phlebotomy                   |
| • Business administration            | • Medical transcriber          |
| • Emergency Medical Technician (EMT) | • Auto repair                  |

Ten of these opportunities fall under the Top Ten Occupations based on short-term projections for 2003-2005 developed by DWS and published in a magazine called "Career Watch."<sup>16</sup> Table 6 lists these 10 specific job titles, the number of expected job openings and annual wages.

<sup>16</sup> See [http://www.careerwatch.org/occupations/top\\_occupations.pdf](http://www.careerwatch.org/occupations/top_occupations.pdf)

Table 6: Career Pathways Opportunities Related to High Demand/Wage Occupations

Career Pathway	Annual Job Openings	Annual Wages
Child care	659	\$14,020
Teaching <sup>17</sup>	93	\$18,550
Truck driving	760	\$32,270
Nursing <sup>18</sup>	394	\$27,040
Office administration <sup>19</sup>	691	\$18,810
Emergency Medical Technician	85	\$21,900
Auto repair	192	\$28,340
Behavioral health technology <sup>20</sup>	64	\$27,080
Service industry <sup>21</sup>	1574	\$15,290
Phlebotomy <sup>22</sup>	64	\$27,080

Source: Kaiser Group, Inc.

An eleventh area—industrial maintenance—is listed as a “growing occupation;” the related number of job openings and wages were not identified by DWS.

If one assumes that most clients graduating from a Career Pathways program are ultimately placed in his or her chosen field of study, the chosen field itself is only a “demand” occupation according to this list in 10 of 20 cases. In addition, the average wage for those demand occupations is \$23,038. The U.S. Census Bureau calculates the median household income in Arkansas for 2003 to be \$32,002.<sup>23</sup>

**DHE Career Pathways staff have put significant effort into program implementation.** DHE has five full time staff to direct program operations. To support program implementation, the Career Pathways staff have developed operational processes to support the colleges. Some examples include:

- A detailed MOU between DHHS, DHE and DWE that coordinates eligibility determination for students who have verifiable records at DHHS.

<sup>17</sup> Preschool teachers

<sup>18</sup> Licensed practical and vocational nurses

<sup>19</sup> Office clerks

<sup>20</sup> Medical and clinical laboratory technicians

<sup>21</sup> Average of cashiers, salespeople, food workers and waiters/waitresses

<sup>22</sup> Medical and clinical laboratory technicians

<sup>23</sup> See <http://www.census.gov/hhes/income/histinc/h08.html>

- Guidance on TANF regulations and eligibility for colleges to determine TANF suitability on their own without DHHS assistance.
- The development of templates for campus implementation plans that have required elements, such as how many students are expected to enroll, what type of program will be developed or expanded, what occupational sectors will be targeted, which programs are expected to serve a large number of non-TANF eligible, what services will be offered, what connections will be made to employers, and what outcomes are expected.
- Detailed financial reporting and budget change request forms.
- The use of WAGE as a program model to create “WAGE-like” programs at colleges that do not already offer employability, industrial and clerical certificates through the official adult education program.
- The continued development of program policy such as common definitions of “enrolled” and “completer.”

**However, there is a need to continue to modify service offerings and service delivery mechanisms in some program areas.** The following reflects modifications to Career Pathways that have been made as a result of discussions with DHHS and Kaiser Group staff, including:

- The High Wage proposal as submitted to the ATEB indicated that any assistance provided using TANF funds would not be considered cash assistance under federal regulations. However, when individual campus implementation plans were reviewed, they indicated that students could receive significant scholarships that would likely meet the federal definition of cash assistance. Career Pathways staff has since indicated their intent to disallow this practice.
- Each participating college indicated it planned to offer child care as a support service. It was not clear, however, whether some of the colleges understood that students do not have to be a TEA client to be eligible for child care subsidies. As a result of these discussions, more specific guidance about coordination with the existing child care subsidy program will be offered by Career Pathways staff.

**There remain important differences between the existing Career Pathways program and the legislatively mandated High Wage Education and Training Initiative.** Although Career Pathways could be considered a “good start” as it relates to the intent of the Legislature to provide educational attainment opportunities to low-income parents in Arkansas, there are several important differences between Career Pathways and the specifications for the High Wage Education and Training Initiative.

These include:

- Targeted eligibility limits of 200 percent of the FPL compared to 250 percent FPL in Act 1705;
- Payment incentives to colleges that are performance-based, rather than reimbursement based under current contract specifications; and
- Formalized coordination with local Workforce Investment Boards.

## RECOMMENDATIONS

***Changes need to be made to the Career Pathways program design in order to meet the intent of the High Wage Education and Training Initiative.*** Act 1705 indicates that the Career Pathways program is to be incorporated into the High Wage Education Training Initiative. The eligibility limits formalized coordination with workforce boards and, most important, performance based contracts, are all significant program changes that need to occur.

***In order to implement needed program changes to Career Pathways, DWS and DHHS should work with DHE to make performance information available as soon as possible.*** Currently, available data for Career Pathways outcomes must be pieced together from four different administrative systems in three different state agencies:

- Student Information System contains education related information and contains all student information in relation to courses and grades.
- America's Job Link and other DWS systems contain employment information and some work participation activities.
- ANSWER has program eligibility information.

To combine what is needed for Career Pathways outcome measurement (which includes information about studies, employment, work participation and services accessed) staff are building an Access database to collect student information and will merge files as appropriate with the Student Information System, America's Job Link and other DWS systems and ANSWER.

As already discussed, some data elements are not available consistently, and other data is cumbersome to obtain. The availability of such information will become even more critical when performance based contracts are implemented as required by Arkansas Code. Performance incentives will need to be based upon students enrolling, completing courses, obtaining jobs in the targeted job categories, and staying employed in the targeted job categories.

Ideally, each college should have designated levels of performance for the following identified outcomes:

- Improved work participation rates,
- Enhanced basic skills/reduced rates of placements in adult education and remediation,
- Increased attainment of college level certificates and associate degrees,
- Improved job retention, advancement and wage progression,
- Reduced welfare recidivism, and
- Increased self-sufficiency.

The complexities and difficulties associated with managing this information and having it be reliable enough to justify performance-based contracting is a difficult task.

***The ATEB should mandate formal coordination with AWCs as a vehicle through which to more directly target high wage, high demand occupations.*** Although all colleges have sought formal or informal input from employers, schools vary on the degree to which they use formal labor market information or analysis. While it is clear that there are deliberate attempts made to match training to currently available jobs, some colleges have been more direct about focusing on high-wage, high-growth occupations than others.

The ATEB should work with DHE to offer specific guidance to colleges about coordinating job placements, job search or employer contacts in conjunction with AWCs wherever practical. Furthermore, colleges should be required to seek formal input from their local Workforce Investment Board on the Career Pathways campus implementation plan.

***The ATEB should make the following specific fiscal and program monitoring update requests about Career Pathways.*** The ATEB should formally request the following financial information and program information be detailed in a summary format at each of its meetings.

Financial information, broken out by the specific college, should include:

- Cost allocation ratio information for staff serving both TANF eligible and non-TANF eligible students. Several colleges indicate in their implementation plans that their Career Pathways staff may serve students who are not enrolled in the program. In those situations, college staff must allocate their time accordingly so that TANF funds are not used for non-TANF purposes.
- Quarterly reimbursement requests. The colleges received start-up funds prior to program implementation. This amount was agreed to on a school by school basis. It had to be spent in six months for one-time expenses such as purchasing desks, computers and curriculum development.

Other on-going costs such as salary, tuition, child care and transportation services are requested for reimbursement quarterly.

- Information about staff travel reimbursement requests. Two of the five colleges have approved travel lines in their budgets of \$10,000 and \$18,000 respectively. The colleges indicate these are justifiable because the Career Pathways counselors conduct home visits to the students, and may cover several campuses.
- Administration and overhead. Although the colleges have been directed to keep administrative costs to a minimum, there is no specific administrative cap for the colleges themselves, despite the fact that the ATEB mandated such a cap for the program overall.

Also, TEA client participation information should be reviewed on a regular basis. This information should be broken out by the specific college, and include:

- Hours of instruction,
- Hours of attendance,
- Hours of work and wages per week,
- Barriers to participation,
- Number of drop-outs, and
- Number of placements in the workforce, including those placed in their chosen educational field and those placed in high wage/high demand occupations.

***The ATEB should provide specific guidance to DHE and participating colleges regarding procurement processes to be used in subcontracting for services.*** As already indicated, a significant public relations contract, appears to have been negotiated by the Arkansas Association of Two Year Colleges. In the original grant proposal submitted to the ATEB, there were indications that DHE would subcontract with AATYC to develop and implement a public information campaign. However, it was not clear that AATYC would subsequently subcontract for that work. In addition, it is not clear what consideration was given to the appropriate level of investment to make in such a contract versus the provision of direct services.

Likewise, the Southern Good Faith Fund (a non-profit subsidiary of Southern Bancorp) was instrumental in launching Career Pathways and continues in a subcontracting role to several colleges as the provider of direct service through placed counselors and job placement staff.

While the Kaiser Group did not determine the appropriateness of these contracts as part of this review, the use of subcontracts to date indicates that it would be prudent for the ATEB to develop guidance related to subcontracts to ensure expenditures are appropriate as well as necessary.

## **EVALUATION OF ARKANSAS' TRANSITIONAL EMPLOYMENT ASSISTANCE (TEA) PROGRAM**

### **THIRD BIENNIAL REPORT: *Status Report on New Program and Service Delivery Initiatives***

**January 2006**

#### **Section 5: New Service Delivery Initiatives**

Section 5 discusses the new service delivery initiatives and includes the following subsections:

- Subsection 5a discusses the case management pilot, and
- Subsection 5b is a status report on the implementation of the TEA transfer from DHHS to DWS.



## **Section 5a: Case Management Pilot**

### **Introduction**

Previous evaluation reports by the Hudson Institute (Fourth Biannual Report – June 2003) have identified the need for the ATEB to improve “engagement options” for TEA clients and address limitations in service delivery design. It was found that the formal structure of the local delivery of service for TEA in DHHS offices had generally not adequately changed to accommodate welfare reform.

One of the ATEB’s new service delivery initiatives is a case management pilot through which it contracts with private vendors for TEA case management services. This initiative is the first time that eligibility determination—which remains a public function—has been separated from the case management function for TEA clients. Privatization of the case management function is intended to promote an improvement to case management in general, leading to improved outcomes.

As such, the case management pilots are an important component in the ATEB’s new service delivery initiatives. The contracting of these services to private vendors, the use of performance contracts and incentive bonuses, and the creation of performance target indicators by county (not uniform statewide) are all significant changes. Through the pilot case management projects the ATEB sought to offer an opportunity for innovation, new service design and staffing options and expanded engagement and job placement resources.

Importantly, the case management pilot was implemented just prior to the broader transfer of the TEA program from DHHS to DWS. As will be more fully discussed in the next Subsection, statewide, TEA case management staff are moving from DHHS offices to Arkansas Workforce Centers (AWCs) and/or DWS offices, resulting in a division of responsibilities between eligibility and case management similar to that which exists in the Case Management pilots. Lessons learned from the review of these pilot projects can also be used to inform the larger TEA transfer from DHHS to DWS.

This Subsection includes an analysis of the two Case Management pilot sites: Pulaski and Jefferson Counties. It begins with a general description of the procurement process, service delivery structure and performance standards.

Findings are noted in five specific areas:

1. Client flow and upfront service delivery design
2. Data systems
3. Case management process
4. Job development and placement
5. Staff training

It should be noted that there were numerous examples in our research, at both sites but particularly in Pulaski County, where conflicting information was received from DHHS and contractor staff. It was not always possible or productive to sort out these differences. It is the Kaiser Group's opinion that their existence speaks primarily to the need for a systematic improvement in coordination between the two entities.

### Description of the Case Management Pilot

*The Procurement Process*—The ATEB directed DHHS to seek case management services through an RFP process in one or more of three specific counties: Jefferson, Pulaski, and Crittenden. The purpose of the RFP was to acquire one or more contractors for TEA case management services in the three counties on a pilot basis for September 1, 2005 through June 30, 2007.

The RFP was issued on January 26, 2005, and proposals were due February 28, 2005. DHHS utilized a competitive bid process and selection methodology to determine the prospective providers. In May 2005, DHHS submitted to the ATEB for its review and approval contracts with the following entities to provide TEA case management services:

- Policy Studies, Inc. (PSI) for Pulaski County,
- Central Arkansas Planning and Development District (CAPDD) for Jefferson County, and
- Workforce Investment Board of Eastern Arkansas for Crittenden County.

All three contracts were to include a startup period of July 18, 2005 through September 1, 2005 when the pilot projects were scheduled to begin.

The ATEB approved the selection of PSI for Pulaski County and CAPDD for Jefferson County. The selection of the Workforce Investment Board of Eastern Arkansas for Crittenden County was delayed for further review, and subsequently denied by the ATEB. As a condition of its approval of the two contracts procured with this RFP, the ATEB reserves the right to direct DHHS (will shift to DWS) to cancel the contracts upon thirty (30) calendar days written notice of the board, acting with a quorum present, and voting if it is determined that cancellation is in the best interest of the TEA program.

*The Service Delivery Structure*—PSI Inc. operates the TEA Career Center of Pulaski County, which is located at the Village Shopping Center in Little Rock. There are three organizational functional areas: case management, business services, and quality assurance. In case management, two supervisors oversee eleven career consultants and three support staff.

The business services manager oversees two job developers and an outreach coordinator. The quality assurance function is subcontracted to Focused Management Solutions and the quality assurance manager oversees a trainer, a quality assurance specialist and an assessment specialist. The career consultants are assigned TEA cases by DHHS sites on an alphabetical basis.

CAPDD, which hired eight new staff to operate the pilot, operates out of two locations. The operations director and three case managers are located at the AWC in Pine Bluff and four case managers are located at the AWC – Regency Square site. The executive director and the deputy director of CAPDD maintain oversight authority.

*Performance Outcomes*—The two contractors are required to provide TEA case management services that meet or exceed state and federal TANF outcome requirements and are accountable for the following performance target indicators:

- Initial hourly wage,
- Work participation rates,
- Job placements,
- Clients assigned and engaged,
- Individuals engaged in educational and training activities,
- Number of time limited adults participating compared to the number of clients deferred and sanctioned,
- Job retention,
- Assessments completed timely,
- Retention,
- Hourly wages, and
- Closures due to employment

The contractors are expected to meet or exceed the ten performance standards beginning with the third quarter of program operation (see Appendices A and B). DHHS (will shift to DWS) is to monitor the performance of the two pilot counties quarterly, compiled from monthly reports completed by the 15<sup>th</sup> of each month.

Beginning with the third quarter (April-June 2006) and carrying through the life of the contract(s), if the contractors quarterly average performance by County for any of three key performance indicators (hourly wage, job retention, work participation rate) is not met, a predetermined percentage of the next quarter's monthly reimbursement is held back. If that target is not met by the next quarter's report, then the amount held is lost and viewed as performance penalty.

For the other seven performance standards, beginning with the third quarter (April-June 2006), if the quarterly average performance standard is not met, the contractor(s) must develop and submit a corrective action plan addressing how performance will be improved. An incentive bonus payment is also available if identified incentive targets are met for any of the three key indicators (hourly wage, job retention, work participation rate).

## FINDINGS

### 1. Client Flow and Service Delivery Design

**Start-up for the case management pilots has been a challenge in both sites, although more issues remain to be addressed in Pulaski County.** Although the startup period began in July 2005 and operations began in September 2005, there continue to be serious concerns regarding the fundamental aspects of the case management service delivery, with some aspects of the model not yet fully functional in Pulaski County.

**The initial assignment of cases from DHHS to the private vendors did not progress as expected.** The initial transfer of case files from DHHS to PSI included incomplete files, files with no recent contact information, and missing contact information. In Jefferson County, there were several hundred more carry in cases than CAPDD was anticipating. These cases were generally TEA leavers who were eligible for job retention services and on-going case management.

**The ongoing referral of cases from DHHS to the private vendors has not proceeded as planned, resulting in some clients not getting the services they need.** In Pulaski County, DHHS eligibility workers are responsible for determining eligibility for TEA cash assistance, including diversion assistance, medical assistance, and food stamps at five different intake sites. Clients are then referred from these sites to the PSI staff at the TEA Career Center for services. This process has faced several challenges.

In particular, TEA client referrals come from the DHHS eligibility worker via a "task" created by the worker on ANSWER to PSI. However, according to PSI staff, they have been unable to serve some clients coming to the TEA Career Center because DHHS had not created the appropriate "task" in ANSWER. Discrepancies between the referral list DHHS had created and the list PSI said it had received were so pervasive that a weekly meeting between DHHS and PSI management staff was instituted so that these issues could be resolved.

The referral process has also been a concern in Jefferson County. There was, for example, no consistent way that referrals were made known to the CAPDD staff. At times a referral was communicated via e-mail, other times through the creation of a "task" by the DHHS worker.

In addition, CAPDD staff physically picked up sections of the hard file from the county office every other day and sometimes the presence of a file was the only way of communicating a new referral. CAPDD staff stated that it was difficult to keep track of the referrals since they came in so many ways.

**Issues with the referral process coupled with a lack of coordination resulted in TEA policy not being applied as intended.** This situation was most evident in Pulaski County, where some TEA clients were determined eligible for cash assistance and received their first benefit check before they appeared at the TEA Career Center for services. As a result, a sanction was initiated for lack of participation. However, the imposition of the sanction was often delayed, diminishing the sanction's impact.

**The provision of appropriate assessments remains a concern.** Neither pilot county is meeting established goals for completion of the three initial assessments: Test of Adult Basic Education (TABE), the initial intake assessment form 1402, and the Learning Disability Screening Tool. The targeted goal is 95 percent completed on a timely basis: through December 2005, CAPPD was completing 86 percent on a timely basis while PSI was completing 36 percent on a timely basis. This is significant because these assessments are key to an individual employment plan and subsequent referral to appropriate services and activities.

**CAPDD's physical location in a Workforce Center has made it easier to engage TEA clients in work and work-related activities.** TEA clients who are "job ready" are expected to conduct an active job search. In Jefferson County—where the vendor is collocated in a Workforce Center—CAPPD staff simply walk the client over to the resource room and immediately connect them with services. In contrast, in Pulaski County, the PSI TEA Career Center relies on three computers onsite to support self directed job search. In addition, PSI has been actively making referrals to the Arkansas Workforce Center in the University Mall, which has a full range of job search resources, and staff support in the resource room. However, the number of TEA clients actively participating at the AWC in Little Rock has been limited. A liaison is now in place to focus on serving TEA referrals.

**The challenges associated with start-up are evident in the poor performance outcomes of the pilots through December 2005.** Performance through the first quarter (October-December 2005) shows five out of ten performance target indicators were met by PSI, while CAPDD has met only three of the ten targeted indicators. Additional information regarding the pilot sites' performance is included in Attachments A and B.

## 2. Data systems

**ANSWER was not fully accessible to the private vendor staff at start-up.** There were reported issues regarding security clearance for ANSWER. PSI staff reported that they were unable to open all of the “tasks” that were sent to them by the DHHS staff. Some PSI staff were unable to create “tasks” in order to request sanctions or case closures from the DHHS staff.

CAPDD staff stated that they had just recently been able to open “tasks” in order to read them. They reported that they still did not have the ability to clear the “task” list. This has resulted in a “task” list that has become longer and longer and difficult to use as one must read through the same “tasks” even after they had been completed.

**ANSWER does not have full capacity for quality assurance monitoring.**

Supervisors were not able to monitor caseloads using the ANSWER system aside from looking at cases individually. Supervisors stated that they “spot checked” cases for compliance with the full engagement requirement but that this was not an efficient way to monitor the caseload. Further, they reported that performance data was not available to them on a timely basis. The information became available to them in the middle of the month following the month being measured. This has led to delays in identifying performance issues.

As with all localities, PSI is required to report monthly performance data to the state. To date, the ANSWER system has not been able to provide the information required in a report format. The information must be gathered manually and this takes approximately two days a month per person to complete for the pilot vendors. State officials have confirmed that enhanced programming was done to ANSWER. Reportedly, there is now a WORC (Work Rate Calculation) subsystem that has replaced the manual reporting function for performance outcomes as of January 2006.

**The ANSWER system does not effectively support the agency in the case management process, leading to the necessary development of manual tracking and secondary databases.** Because ANSWER has limited reporting functions, PSI was developing a secondary database to track and monitor the caseload. The capacity of the PSI internal database (MAPS) was not reviewed because it was just being completed. PSI staff will have to perform dual data entry, which decreases client contact time available.

Likewise, CAPDD has created its own data base (TEA Drive) to track clients and caseloads. This also requires that the case managers perform dual data entry. Monthly, the case managers are given a list of their clients. They then use this list to help in the monthly reporting process by going through the list case by case and the required information is penciled in and submitted to management. At the time, staff reported that this process required approximately two days a month to complete.

**Vendor payments have also been a concern.** Initially, the two private contractors were not authorized to approve payments to service providers through the state's vendor payment system. Agency officials indicate this was due to a statewide system issue caused by AASIS. This was problematic because TEA clients get access to important work supports like supplies, training materials and equipment through private vendors who are then reimbursed by the TEA agency.

### 3. Case Management Process

**There were significant variations in the case management process between the two pilots.** In Jefferson County, the case management system implemented by CAPPD was functioning well in spite of obstacles, and client contact and employment plans were well documented. This was not the case in Pulaski County, as evidenced by the following findings:

- PSI career consultants were not consistently using assessment results to individualize the required employment plans as directed by policy.
- File reviews and discussions with PSI's quality assurance subcontractor indicated a significant lack of documentation in the case files.
- PSI's caseloads reportedly ranged from 80 to 120 per career consultant, which is much higher than an optimal ratio.
- PSI case managers were not consistently aware of nor comfortable with engagement strategies and vendor referral options to help TEA clients participate for the required hours to meet work participation standards.

### 4. Job Development and Placement

**A clear and consistent process for determining whether a TEA client is "job ready" has not been established.** Currently, a clear process for determining "job readiness" is lacking and this affects how career consultants are referring candidates to job leads, particularly in Pulaski County. This is the biggest concern raised by the business services staff.

**Both sites appear to have implemented effective strategies for working with local employers, addressing a weakness that previously existed.** The business services manager in Pulaski doubles in that role for the TEA Career Center and the AWC in Little Rock. This expands coordination and partnership options for working with employers and should benefit TEA clients. Currently job leads are communicated by e-mail for PSI, but the soon to be completed internal database will potentially allow for better tracking of job leads and referrals. It will also provide an account management database to track employer relationships and contact records. For CAPPD, there is a dedicated job developer who networks with a wide range of community groups to create awareness of TEA and develop worksites and job leads.

Having dedicated job developers who spend the majority of their time contacting employers adds a positive dimension to the TEA program that has been missing before implementation of the case management pilot.

## 5. Staff Training

**The initial training provided to pilot staff regarding the TEA program was inadequate.** The initial two week training that many of the staff went through was designed for DHHS staff in a DHHS office with a systematic follow up process of experiential application with supervision. No effort was made to tailor it to pilot staff. Overall, it appears the training provided was inadequate. In particular:

- Many staff felt only partially trained in policy and procedure.
- Many staff felt only partially trained in ANSWER.
- Staff identified a need for case management strategies and other “hands on” training.

Experience to date also indicates a need for additional case documentation and case note training, specifically for PSI staff.

## RECOMMENDATIONS

***DWS, which will assume oversight of the contracts in April 2006, should work in conjunction with DHHS to ensure that its case management contractors:***

- ***Complete assessments on a timely basis for all TEA clients.*** To the degree possible the TABE assessment should be available at the TEA Career Center to facilitate timely completion of assessments.
- ***Deficiencies in case management are addressed.*** An intensive effort is needed to increase client contact, improve staff documentation in hard files, and entries into ANSWER. Mentoring, more aggressive monitoring, and training are all needed to move case management to the desired level.
- ***Job placement services are enhanced and expanded.*** Kaiser Group has the following suggestions for pilot site job development and placement services:
  - Create a local marketing plan to coordinate employer contacts and target certain industry sectors and expand the plan to partner agencies.
  - List all work experience sites and on-the-job training sites in MAPS (PSI internal database) when it is ready to assist career consultants in referring to open slots.



- Create a website for employers with, for example, marketing information, explanations of subsidies available, and job order forms.
- Use resource room computers more effectively in self directed job search by better organizing the desktop with the key links to search engines, and career development sites displayed as icons on the screen. Also “tip sheets” with commonly asked questions could be posted by each computer.

***DWS should also work with DHHS to identify those issues that surfaced as a result of the pilot projects that relate to separating eligibility determination from case management and develop solutions that can be applied to the separation of these functions that is occurring as a result of the TEA program's transfer from DHHS to DWS.*** As discussed throughout this Subsection, these issues include:

1. inadequate documentation in the transferred case files of existing TEA clients;
2. a lack of clarity and consistency in the process through which new TEA clients are referred from DHHS eligibility workers to case managers in another agency;
3. a gap between the time a client is determined eligible for assistance, the disbursement of cash assistance to the client, and the client's actual participation in a work or work-related activity;
4. a lack of clarity and consistency in the definition of work ready;
5. the inadequacy of the ANSWER system in its current configuration to serve as a case management tool;
6. the need for a new training curriculum for those staff who may not have previous experience with the TEA program.

***Finally, the ATEB should evaluate the long-term intended purpose of the pilot in light of Act 1705.*** The pilot projects were designed by the ATEB to explore different service design options before the responsibility for program administration was transferred from DHHS to DWS. The purpose of the pilot needs to be reviewed within the parameters of the DWS system.

## **Section 5b: TEA Transition**

### **Introduction**

Act 1705 of 2005 made several substantial changes to Arkansas' administration of its TANF block grant and those programs that TANF funds. A key outcome of the changes is the transfer of responsibility for the TEA program from DHHS to DWS.<sup>24</sup> While DHHS will continue to determine eligibility for cash assistance and diversion payments in the TEA program as well as the newly established Work Pays program, DWS will:

- Receive and expend the TANF block grant for the administration of all TANF-funded programs in Arkansas;
- Provide all employment related services for time-limited TEA program clients; and
- Contract with other agencies or providers to deliver services in TANF-funded programs.

The rationale for transferring the TEA program from DHHS to DWS is noted in Act 1705. In particular, the Legislature asserted in Act 1705 that there is a duplication of effort on the part of DHHS and DWS in providing services to needy families. Further, the Act states that DWS is better able to assist individuals in preparing for and finding employment while DHHS is better able to determine eligibility for benefits under TANF. Although not explicitly stated, the implication is that it would be more efficient and effective for DWS to assume responsibility for TEA employment services, while DHHS retains responsibility for eligibility determination.

These observations echo somewhat the findings included in previous reports completed as part of the independent evaluation of the TEA program, including reports issued by the Kaiser Group. In past reports, concerns have been consistently raised about a lack of engagement on the part of TEA clients in activities designed to support their efforts to achieve self-sufficiency. Several strategies designed to address this situation have been offered in past evaluations, including that the ATEB address issues related to agency coordination in the provision of TEA services, the training received by TEA clients, and TEA client access and usage of other programs.

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<sup>24</sup> Act 1705 technically refers to the two agencies as the Department of Human Services and the Arkansas Employment Security Department. However, since both agencies were renamed (in Act 1705 and in Act 1954 respectively), their current names will be used throughout this section of the report.

Of particular note is the following recommendation, which was made by the Kaiser Group in December 2005:

*The Arkansas Transitional Employment Board needs to establish a vision as it relates to the TEA program's relationship with the Arkansas workforce development system, particularly regarding how the program and its clients can be more fully integrated into the system, and ensure that this vision is communicated, adopted and fully implemented in every local DHS office and Workforce Center throughout the state...the end goal for the ATEB is not greater service coordination for its own sake, but to ensure that the population of interest—TEA clients—is able to access all available services as effectively and efficiently as possible in order to assist them in their efforts to become self-sufficient.<sup>25</sup>*

Specific suggestions regarding the implementation of this recommendation were included in the December 2004 evaluation report, starting with the recommendation that the ATEB should engage in a systematic process to help guide its effort to integrate more fully the TEA program and its clients into the Arkansas workforce development system. The passage of Act 1705 of 2005 pushed this agenda forward significantly by essentially creating the structure through which this integration should take place: the TEA program's transfer from DHHS to DWS.

In order to oversee and manage the transfer, the Act created the Arkansas Transitional Employment Assistance Transition Workgroup; the Workgroup is to be dissolved after completing its statutory responsibilities. In addition, the Act designates that those sections relevant to the transfer are to become effective upon certification from the Directors of DWS and DHHS, with the consent from the Governor and the Chairs of the Senate and House Committees on Public Health, Welfare, and Labor, implying that some level of review had been completed.

As of January 13, 2006, this certification had not taken place. However, three benchmarks relevant to the TEA program's transfer have occurred. The three benchmarks are:

- On October 1, 2005, DWS assumed responsibility for administration of Arkansas' TANF block grant.
- On January 1, 2006, DWS assumed responsibility for TEA case management functions.
- On January 3, 2006, the transfer of and re-location of most staff from DHHS to DWS was completed.

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<sup>25</sup> Evaluation of Arkansas' Transitional Employment Assistance (TEA) Program. First Biannual Report. A Review of Coordination between the TEA Program and the Arkansas Workforce Development System (Arkansas Workforce Centers). December 2005.

While these three benchmarks are significant, their achievement alone does not represent the full transfer of the TEA program to DWS. This is because they focus more on the program's administration than on what needs to be done to transform the experience of TEA program clients as a result of the transfer. Without an emphasis on the client experience and what changes are needed in policy, administration, and practice to ensure the full range of opportunities presented by the transition is maximized, the transition may not have the intended positive effect on program outcomes.

DHHS and DWS officials have indicated they are pursuing additional activities designed to ensure questions related to the client experience are addressed. In pursuing these activities, it will be important for state officials to ensure the underlying purposes of the transfer are fulfilled and that intended outcomes are realized. This will likely require that more time be dedicated to thinking about how TEA policy should change, how TEA clients will be folded into the DWS service delivery structure, and the general climate of expectations with regard to activities.

This Subsection contains background and findings related to two topics.

The first topic addressed is the oversight and guidance of the transfer process. Included here are discussions about the legislatively intended and actual role of the oversight and administrative bodies: the Transition Workgroup, the ATEB and DWS/DHHS. This Subsection also includes a discussion about the Memorandum of Understanding between the executive agencies facilitating the transition.

The second topic addressed is the progress made to date in actually transferring the TEA program. There are findings related to the transfer of staff, the transition of TEA cases to DWS and the flow of TEA cases in the new service delivery model.

The Subsection closes with a set of recommendations related to TEA's transfer from DHHS to DWS.

### **Transition Oversight and Guidance**

As noted, Act 1705 established the Arkansas Transitional Employment Assistance Transition Workgroup to oversee the transition of the TEA program from DHHS to DWS.

However, in establishing the Workgroup, the legislation did not modify the ATEB's responsibilities regarding the TEA program, including its responsibilities to oversee the operations of the program and progress made toward outcomes, coordinate the activities of the state agencies involved in the program; and review, recommend, and approve all requests for proposals to expend TANF funds.

In addition, the legislation assigned specific responsibilities to DHHS and DWS related to the transition, including the development of an interagency agreement related to each agency's roles in providing cash assistance and employment services to TEA clients.

### **Transition Workgroup**

The Arkansas Transitional Employment Assistance Transition Workgroup, as created by Act 1705 of 2005 is comprised of the following 11 members:

- The Directors of the DWS and the Division of County Operations (DCO), DHHS.
- The Executive Directors of the ATEB and the Arkansas Workforce Investment Board (AWIB).
- A senior staff member from DHHS.
- Two members with direct administrative experience in transitions of welfare programs and workforce agencies, to be appointed by the Governor.
- A local workforce board representative, to be appointed by the Governor.
- A current or former TEA or AFDC client, to be appointed by the Governor.
- One appointee each by the Chairs of the House and Senate Committees on Public Health, Welfare and Labor who is not a state employee.

The Act designated the DWS Director as the workgroup's chair. It also outlined the Workgroup's responsibilities, which are to:

- 1) Develop recommendations to the Directors of DWS, DHHS, and the ATEB to guide the implementation of the transition of TEA program responsibilities from DHHS to DWS, the efficient operation of the TEA program, and use of TANF.
- 2) Develop measures and benchmarks to gauge progress of implementation.
- 3) Review the progress of implementation at 6-month and 12-month intervals and make recommendation to the Directors of DWS, DHHS, ATEB and the WIB proposing improvements.
- 4) Request reports or information from the Directors of DWS, DHHS, and the ATEB.
- 5) Make a study of the feasibility of combining the ATEB with the WIB and report the findings to the Governor and the Chairs of the House and Senate Committees on Public Health, Welfare and Labor.
- 6) Submit reports to the Governor and the Chairs of the House and Senate Committees on Public Health, Welfare and Labor about the guidelines and the progress in implementation.

At its first meeting, in order to fulfill its responsibilities, the Workgroup agreed to form three subcommittees: 1) communications, 2) client services, and 3) feasibility of combining the ATEB and the AWIB. The Workgroup chair—Director of DWS—assigned the members to each of the groups.

## FINDINGS

**The Arkansas Transitional Employment Assistance Transition Workgroup has provided limited guidance related to the implementation of the TEA program transition as intended by the Legislature.** To date, the Workgroup has received information, but has had only limited discussions about the overall purpose of the TEA program's transfer and its expected outcomes. This is due to several factors, including:

- A delay between the enactment of Act 1705 and the appointment of the Workgroup members. The only requirement in statute regarding the convening of the Workgroup was that the DWS Director—who serves as chair—was required to call its first meeting within 30 calendar days of the members' appointment. Several months elapsed between the time the Governor signed Act 1705—April 5, 2005—and final appointments were made in September 2005.
- The Workgroup's composition differs from that intended by the Legislature in Act 1705 of 2005, and thus does not bring the range and depth of experience with such transitions as intended. In particular, those serving in the two gubernatorial appointments intended for individuals with direct administrative experience in transitions of welfare programs and workforce agencies do not have this experience. In addition, although a current or former TEA or AFDC client has been identified to serve on the Workgroup, the individual has not participated in the Workgroup's activities to date. According to ATEB staff, significant effort has been made to get in contact with the individual selected to serve in the position, but this effort has not been successful.
- Although technically fulfilling the requirements of Act 1705, the Workgroup has met only twice. According to Act 1705, the workgroup was to meet at least two times before July 1, 2005 or the effective date of the transition of the TEA program responsibilities to DWS. It met on October 19, 2005 and again on December 19, 2005, prior to DWS assumption's of case management responsibilities on January 1, 2006.
- Although three subcommittees have been established, they just recently begun to contribute to the process through which the program is being transferred from DHHS to DWS. For example, the client services subcommittee has met on three occasions, increased its membership, and developed a purpose statement.

Likewise, the merger feasibility subcommittee—which has been most consistent in its efforts—has been meeting on a monthly basis. The communications subcommittee—the last to be fully functional—has met once and is discussing a potential outreach campaign.

### **Arkansas Transitional Employment Board**

Although the Transition Workgroup has been created to oversee and manage the transition of the TEA program from DHHS to DWS, the ATEB is charged in state statute with a broad role in the TEA program's design and implementation. Additionally, as previously noted, the ATEB is further charged to have a strategic role in carrying out the vision of the program. Given this, it would be expected the ATEB would take an active interest in the transition of the TEA program from DHHS to DWS.

## **FINDINGS**

**To date, the ATEB has not been actively involved in the transition of the TEA program from DHHS to DWS.** The ATEB received a briefing relating to the transition at its retreat in May 2005, and updates have been presented by DWS at subsequent regular ATEB meetings. As of the production of this report, more substantial involvement of the ATEB is beginning. It is incumbent upon the ATEB to use the information it has to show leadership in this area from this point forward.

### **Executive Oversight and Management**

To date, neither the Workgroup's nor the ATEB's guidance in relation to the TEA program's transition has been at the level the legislation intended. The two key executive agencies—DWS and DHHS—have taken action regarding their statutory responsibilities to manage the process. In particular, Act 1705 of 2005 requires DWS and DHHS:

- enter into a written agreement “regarding the provision of the services to clients of transitional employment assistance” and,
- enter into an interagency agreement transferring responsibility for the TEA program block grant and for the administration of the TEA program as delineated in Arkansas State Code.

## FINDINGS

**DHHS and DWS have worked cooperatively to address certain aspects of the transition of both the TEA program and the TANF block grant.** This process was initially facilitated through a review of 10 key areas of interest, as identified by staff, and culminated in a Memorandum of Understanding (MOU) executed on November 15, 2005, as well as a draft implementation plan. Prior to the MOU, a letter of agreement between the agencies was reportedly in effect.

**Overall, the planning efforts of DWS and DHHS have focused more on issues related to the transition that are primarily administrative in nature and relate to the technical transition of the program rather than the provision of services in the workforce system. This is reflected in, for example:**

- **The ten areas of interest that were identified in the initial planning stages.** These areas of interest include:
  - 1) information technology, including issues related to how computers and software licenses would be inventoried and transferred;
  - 2) internal audit and security, including clarification of responsibility for the security of data and systems maintenance;
  - 3) financial management, including such issues as submission of a cost allocation plan, federal financial reporting requirements, compensatory time on record before the transfer, and leave balances;
  - 4) equal opportunity, particularly whether or not any transferring staff had special needs;
  - 5) communications, with an emphasis on the need to keep everyone informed during all stages of the transition;
  - 6) personnel, including how transfers were to occur, what personnel records needed to be transferred, and who was to be transferred;
  - 7) Area Operations Chiefs, addressing only the issue of whether staff need private offices;
  - 8) records management, including the need to acquire copies of current guidance, manuals, and issuances;
  - 9) training, focusing on the transfer of staff training records; and
  - 10) building maintenance.



- **The focus of activities included in the two agencies' draft implementation plan prepared for internal purposes.** A draft plan developed by the two agencies in late November 2005 listed a variety of functions performed and included information about the agency responsible for the function, the time frame and related comments. The functions listed fall into several broad areas, including financial, personnel, technology, program management, communications, and miscellaneous. While the functions of case processing and management are also included, the focus in these areas are on processes for moving cases, determining eligibility, distributing benefits, and using the WISE system to provide employment support.
- **The topics addressed in the MOU.** The topics addressed in the MOU include transition of funding and program; implementation plan; cost reimbursement methodology; cost allocation plan amendments; transfer of staff, inventory, client files and other records; submission of required financial reports; electronic benefits transfers; information and technology systems; development and distribution of policy changes and state plan amendments; corrective compliance plans; emergency assessments and family preservation; contracts, grants, Memoranda of Understanding and Memoranda of Agreement.

**The MOU lacks a significant amount of specifics regarding the administration of the program going forward, making it difficult to assess the reasonableness and thoroughness of the agreements being reached.** Given its lack of specificity, the MOU is not that helpful in understanding what is to occur in terms of the programs' future operations. In particular, there are several attachments to the MOU listed that have not yet been provided, including:

- Funding Flow and Cost Reimbursement Methodologies
- IT System Requirements
- Summary of Position Transfers
- Reporting Requirements
- Client Services and Communication Strategy
- Detailed Implementation Plan

**It is not clear that the MOU appropriately divides the responsibility for program operations.** To date, DHHS and DWS efforts to work in partnership have served them well, as they have worked through some of the most difficult administrative details associated with transferring the TEA program. Going forward, however, it may be more desirable for distinct and clear lines of authority to be established with respect to funding, systems, and decision making.

This is particularly true given that ongoing responsibility for TANF and its related federal performance expectations lie solely with DWS. Areas of split responsibility under the MOU that may not ultimately prove problematic for Arkansas should nevertheless be monitored closely. The following are some of these areas.

- Because they are going to distribute cash assistance and diversion payments, DHHS is maintaining control of the electronic benefit transfer (EBT) system. Given the other public benefits associated with the EBT system for which DHHS remains responsible, including food stamps, this strategy may be the most effective and efficient. However, it will also require DHHS to be responsible for distribution of transportation bonuses, employment bonuses and relocation assistance upon request from DWS.
- DHHS is retaining responsibility for all of the key information technology systems associated with the TEA program, including ACES, ANSWER and WISE. It is not clear, however, that this is the best strategy for ensuring case management is effective and efficient going forward. To elaborate, it may be to Arkansas' advantage to have a system under the complete control of the administering agency—DWS—as it bears ultimate responsibility for program performance and could therefore be expected to place a higher priority on needed system modifications than an agency that no longer bears this responsibility.
- DWS is agreeing to provide to DHHS for their review and approval, all policy changes being proposed that could have an impact on food stamp or Medical assistance clients. While this is designed to ensure no changes have unintended consequences, it does raise two concerns. First, concerns can be raised about the extent to which DHHS' approval authority could stand in the way of appropriate modifications to the TEA program. Second, concerns can be raised because DWS does not have the equal and related authority to review and approve any changes to the food stamps and medical assistance programs that may have an impact on the TEA program.

**Other language included in the MOU directs the use of TANF funds to specific programs, despite the fact that the decisions regarding funding are assigned to the ATEB.** In particular, Section XII commits the use of TANF funds in support of the Emergency Assessments and Family Preservation performed by the Division of Children and Family Services in DHHS. It is not clear that such a commitment can be made under the authority of the signatories to the MOU for funds beyond those already appropriated by the ATEB for this purpose.

**Of particular concern is the lack of a long-range, detailed implementation plan.** To date, only a working draft of an internal planning document has been developed and provided to the Workgroup for its review. This draft includes seven sets of tasks: Arkansas TEA Transition Project Management, Operations Planning, Facilities, Personnel, Staff Training, and Community Outreach/Network Plan.

This continues the focus on administrative issues related to the initial transition of the program, indicating a need for more attention to be paid to identifying and implementing the steps necessary to integrate TEA into the workforce development efforts of the state in an effort to improve client outcomes in the longer term.

**Neither the Transition Workgroup nor the ATEB formally reviewed the MOU prior to its being executed by DHHS and DWS.** Despite the many significant administrative decisions embodied in the MOU, neither of the bodies charged with overseeing the transition or the TEA program itself formally reviewed a draft of the MOU prior to its final execution by DHHS and DWS. Agency staff stated that they were given explicit direction by the Transition Workgroup to develop and execute the MOU and then submit it for review and approval. However, it would have been appropriate, and perhaps beneficial, for both the Workgroup and the ATEB to have exercised their given authority and reviewed a draft of the MOU before it was executed.

### **Implementation Progress to Date**

As noted, three significant steps have taken place related to the transfer of the TANF block grant and the TEA program to DWS from DHHS. These relate to the transfer of the 1) block grant, 2) key personnel, and 3) responsibility for the TEA caseload.

*Transfer of the TANF Block Grant*—DWS became responsible, with full approval from the federal Department of Health and Human Services, for Arkansas' TANF block grant on October 1, 2005. According to agency officials, previous year funds will remain active at DHHS at the request of the federal DHHS. DWS and DHHS are working cooperatively to determine when DWS will assume responsibility and authority for previous year funds. In addition, cost allocation plans are in the process of being developed with approval anticipated from the federal government by the end of June 2006.

*Staff Transfer*—11 central office staff positions were transferred to DWS on December 4, 2005, and 91 field positions were transferred effective January 1, 2006. According to DHHS staff, in order to determine the number of positions to be transferred, an analysis was conducted using time study data to determine the amount of time spent by staff on TEA case management duties versus eligibility determinations. The staffing plan was created using the FTEs and a caseload-to-staff ratio of 30:1. The staffing plan was shared with local county administrators. The goal was to ensure that the most experienced and qualified staff was transferred to DWS. All benefits and privileges that current employees have will move over when they transfer to DWS. Not all staff actually moved from DHHS offices to DWS offices. According to DWS central office staff, local staff were moved into sixteen locations where the DWS office is co-located with the workforce center, seven locations where DWS is a stand alone office, one location that is a workforce center that is not co-located with DWS.

In thirteen locations, TEA staff will remain at DHHS until room can be made for them in a DWS location as leases expire or in a workforce center. In addition, staff in four counties—Fort Smith, Marianna, Forrest City, and Benton—will move in February. Equipment was transferred with staff, including personal computers.

Prior to their move, TEA staff to be transferred attended an “Orientation of TEA Staff to the Department of Workforce Services” held December 12 and 13, 2005. During the orientation and as part of the orientation’s evaluation, a series of questions were raised related to the transfer ranging from responsibility for sanctions to WISE reimbursement to addressing a lack of transportation on the part of clients. DWS provided short answers to these questions to all transferring staff on December 30, 2005. In addition, a select group of DWS staff also participated in an orientation session on December 14th and 15th, 2005. The session was designed to give key field and central office staff an overview of the TEA program as well as the food stamps and MA programs; the ANSWER and WISE systems; TEA case management; and TEA policy related to sanctions, referrals and time limits.

*TEA Client Caseload Transfer*—In conjunction with the transfer of staff, the existing TEA caseload was transferred January 1, 2006. In order to facilitate this, transferred staff received an e-mail listing new case assignments. Cases were assigned alphabetically, unless a client’s current case manager transferred to DWS, then that client retained the same case manager if possible. Clients were first sent a notice and then a letter providing them with their new case manager’s contact information. The form letter, dated December 29, 2005, included background information explaining the transfer of the TEA program to DWS as well as specific information regarding the client’s new case manager and his or her contact information.

*TEA Client Flow*—In addition to transferring existing cases, information has been developed and disseminated to staff regarding client flow. According to information provided to staff in late December, the following is the process through which clients will flow:

- Initial eligibility—The DHHS Eligibility Worker is responsible for determining eligibility for TEA cash assistance, including diversion assistance. Upon approval for TEA cash assistance:
  - a referral—either as mandatory or exempt because the applicant has a child under three months of age—is made to DWS for case management services;
  - the Personal Responsibility Agreement is reviewed and signed;
  - work requirement expectations are briefly explained, and
  - a pamphlet regarding TEA is shared.
- Referral—Upon approval of the TEA case, a task is created in ANSWER for making the referral to the appropriate County Service Manager, who will then assign the case to the DWS TEA Case Manager.

- **Case Management**—DWS makes monthly contact to ensure participation and keys information into ANSWER. The DWS Case Manager will perform all case management activities in accordance with the TEA Policy Manual, including assessments, development of the employment plan, arranging and authorizing supportive services, making child care referrals to DCC, and making referrals to the Severe Barriers project.
- **Ongoing eligibility**—DWS notifies DHHS of changes that might affect eligibility. DHHS determines continued eligibility; if yes, case stays open and DWS continues to work with client and if no, DHHS closes the case and notified DWS, DWS provides job retention services.

## FINDINGS

**Overall, significant administrative progress has been made in transferring the TEA program to DWS from DHHS, particularly as related to funding, staff, and caseloads.** While many administrative mechanics of the transfer have been accomplished, questions can be raised about some of the administrative steps taken to date, several areas of potential concern must be monitored closely, and additional investment must be made in ensuring the effective integration of the TEA program into Arkansas' overall workforce development system. The following reflects details about each of these observations.

**DWS is striving to manage competing priorities in terms of the physical accessibility of TEA case managers to clients.** Act 1705 explicitly noted that consideration be given to the fact that persons and families accessing the TEA program "...are of lesser means and as a result these services will be conveniently made available to the public." However, if the TEA program is going to be successfully incorporated into Arkansas' overall workforce development activities as part of DWS, some compromises may need to be made in this area. In particular, potential exists for the transfer of staff from more than 84 DHHS office locations to a smaller number of DWS and AWC locations, with 30 sites each, to affect client access to case managers.

The extent to which the TEA transfer will ultimately affect client access to services is not known at this time. DWS has taken some steps to mitigate any potential negative consequences for clients. For example, it has established a toll-free number for TEA clients to call when they do not have long-distance telephone service. Staffed by an answering service, calls are taken by an operator who records the client's name and contact information and then e-mails it to DWS central office staff. Central office staff in turn let a case manager know if they have a message from a client. It has also implemented a process through which case managers will travel to locations other than their assigned site in order to provide services to clients.

DWS will, however, need to balance its efforts to ensure access to services with its efforts to re-frame the TEA program as part of Arkansas' overall workforce system. If clients do not have the benefit of interacting with case managers in a DWS site or an AWC, the potential exists for no real change in perceptions about the TEA program or the delivery of employment services to change, undermining the intended purposes of the program's transfer. This is clearly a tension inherent in the program's transfer that DWS will need to continue to manage.

**Furthermore, it is unclear what plans are in place to transform the former DHHS case managers into DWS case managers.** Although it does appear that there was a deliberate attempt made to transfer "the best" DHHS staff for this effort, questions can still be raised about the potential differences between the best DHHS staff and what is or should be expected in a DWS environment.

**The supervisory structure that has been put in place is very complex.** Following the transfer of staff, two different supervisory structures are now in place for TEA case managers. Under the first structure, when the TEA Supervisor and the TEA case manager are located in the same office, the TEA case manager is under the direct supervision of the TEA Supervisor, who in turn is under the direct supervision of the DWS Local Office Manager.

Under the second structure, when the TEA Supervisor and TEA case manager are not located in the same office, the DWS Local Office Manager provides daily supervision and performance evaluations for TEA case managers while the TEA Regional Supervisor provides technical assistance, second party reviews, and information relevant to the evaluation of TEA case managers.

**The current procedures for client flow also will require monitoring, as a significant amount of complexity has been built into the system on many different levels.** There are several different areas of complexity built into the new case flow system that need to be closely monitored. Examples of potential areas of confusion include:

- The referral from DHHS to DWS—Unlike the current system, clients will need to move from one agency to another in order to access employment and related services under the TEA program following eligibility determination.
- The imposition and monitoring of sanctions—The DWS Case Manager will determine if a sanction should be imposed for non-compliance with a work activity requirement. However, DHHS is responsible for building and updating the sanction in ANSWER. Case Managers must notify DHHS if the client comes into compliance. Sanctions related to child support are applied by the system. All other sanctions—such as those related to refusal to sign the PRA, immunization and school attendance for children—are to be determined and applied by the DHHS Eligibility Worker.

- Case closure strategies—It is currently not clear how case closures and post-employment services will be identified. Related, it is not clear how re-entry cases are assigned for case management and if an effort will be made to assign them to their previous case manager.

These same concerns have been identified in the case management pilots, as discussed in Subsection 5a.

**The current client flow appears to make it possible for TEA payments to be made after eligibility is determined by DHHS but before a case plan is developed by DWS, creating an environment in which the provision of services might decline and sanctions may increase.** The information currently available regarding client flow allows for an individual to be determined eligible for cash assistance by DHHS and receive a cash payment prior to reporting to DWS for assessment and the development of a related case plan. There has been extensive discussion about potential policy changes to address this issue and follow up action is needed. Again, these same concerns have been noted in the case management pilots, as discussed in Subsection 5a.

**The two-day orientation session held for DHHS staff transferring to DWS focused on staff administration and not issues related to service design.** The TEA program's transfer from DHHS to DWS represents, to a great extent, the merging of one set of cultural norms and practices with a second set of cultural norms and practices. This fact has been recognized by the Transition Workgroup in its first meeting, where the discussion was summarized with the statement "it was realized that it can not be business as usual for either DHHS or DWS when it comes to serving clients as the cultures are different." The initial staff orientation did not systematically address these issues.

**Modifications to case management policy and practice intended to modify the client experience have not yet been considered.** As noted, activities to date have focused on the transfer of staff and cases, with little investment in considering why and how the case management process will be modified to maximize the opportunities the transfer provides.

**A plan is being formulated for analyzing how to provide services effectively and efficiently to TEA clients within the DWS structure.** State staff recently informed the Kaiser Group that the ATEB, AWIB, and DWS are working jointly on a project to integrate TANF services into the workforce development system in conjunction with the federal Department of Labor. In particular, as a result of the recent relocation of TEA staff into workforce centers statewide, DWS staff have approached the U.S. Department of Labor about amending an existing project designed to improve efforts to integrate partners in the one-stop system to incorporate TANF.

A working group with representation from the Transition Workgroup and its subcommittees; the ATEB program committee; the AWIB strategic planning committee; and DWS, ATEB, and AWIB staff will be developed for this purpose.

**It is not yet clear the extent to which incorporating TANF into the workforce system has impacted programs other than TEA.** Arkansas TANF funding has funded and will continue to fund programs other than TEA. Because comprehensive planning with respect to service integration is just beginning, it is not yet clear how other TANF funded programs such as Work Pays, Career Pathways and others will be accessible through DWS systems.

## RECOMMENDATIONS

***Overall, recognition needs to be given that the process of integrating the TEA program into Arkansas' workforce system will take time and requires more than simply transferring funds, staff, and caseloads.*** Arkansas has undertaken an ambitious agenda and should be given credit for the administrative work done to date. However, business as usual cannot prevail if the agenda is to be fulfilled. The transition of the TEA program from DHHS to DWS was meant to accomplish more than simply transferring responsibility for the program from one agency to another while maintaining the status quo regarding the delivery of services. Often, it is assumed that by simply adopting a given tactic—in this case, transferring the TEA program from DHHS to DWS—the integration of services leading to improved outcomes will naturally follow. Research in other states has shown, however, that this is not the case, because “planners lose sight of the underlying purpose of service integration or never appropriately develop it as they make tactical choices and rush ahead with technical details.”<sup>26</sup>

ATEB, DHHS and DWS staff all acknowledge that more work needs to be done, as evidenced by their efforts to secure specific planning assistance to formulate a comprehensive approach for how to integrate TEA into the workforce system. It is perhaps the case that this planning—in advance of administrative decision making—could have had positive impact. However, it is not clear that the legislative timeline would have allowed this. Nevertheless, oversight bodies, including the ATEB, need to become actively engaged in these discussions.

<sup>26</sup> “Cross-systems innovations: The line of sight exercise, or getting from where you are to where you want to be.” Jennifer L. Noyes and Thomas Corbett (*Focus*, Vol. 24, No. 1, Fall 2005). Also see “The challenge of institutional ‘milieu’ to cross-systems integration.” Thomas Corbett, James Dimas, James Fong, Jennifer L. Noyes (*Focus*, Vol. 24, No. 1, Fall 2005).



***The ATEB needs to communicate a comprehensive vision in conjunction with the Transition Workgroup to build on efforts underway to ensure the transition of the TEA program results in the integration of the program into the workforce development system, leading to improved outcomes for TEA clients.*** In order to facilitate this process, the Kaiser Group Inc. recommends Arkansas complete a “line of sight exercise.”

Developed by a coalition of organizations known as the Service Integration Network (SINNET), it is based on the following four questions, all of which can be applied to the current situation.<sup>27 28</sup>

- 1) What do you want to achieve and for whom? Although it may seem self-evident at this point, an effort to ensure clarity as to what is expected to be achieved through the transition of the program in terms of TEA clients would be appropriate.
- 2) What does the new system need to look like in order to achieve the intended outcomes? Obviously, the decision has been made to transition the TEA program to DWS, but that in and of itself does not answer this question. Rather, the transition of the program's administration from DHHS to DWS is simply an organizational decision. What remains to be determined is how this is going to make a difference in terms of the client's experience. While an effort has been made to delineate the case flow process, no related effort has yet been made to develop a plausible story about how—overall—the system will look from a client's perspective, beginning the day a client walks through the door to establish TEA eligibility to the day they are no longer income eligible for cash assistance and beyond, given the establishment of such programs as Work Pays.

Some examples of specific questions in this area include:

- Will TEA case management be coordinated with WIA and related case management? Will TEA case management be a parallel process?
- Will co-enrollment with WIA be encouraged and supported?
- Will case management be coordinated with other service provision, such as MA, food stamps, and child care?
- Will current WIA service providers be accessed?

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<sup>27</sup> A fuller discussion of this process is included “Cross-systems innovations: The line of sight exercise, or getting from where you are to where you want to be.” Jennifer L. Noyes and Thomas Corbett (*Focus*, Vol. 24, No. 1, Fall 2005).

<sup>28</sup> SINNET is comprised of individuals representing the University of Wisconsin-Madison Institute for Research on Poverty, the National Governors Association's Center for Best Practices, the Rockefeller Institute for Government, and the Casey Strategic Consulting Group.

- Will referrals be made to others within DWS for services?
  - Will services available through the Workforce Centers be accessed?
- 3) What needs to change from an institutional perspective in order to support this transformation of the client's experience? There is a general expectation that the client's experience will change simply by virtue of the TEA program's transition to DWS and, in some (but not all) cases, the re-location of the TEA case managers from DHHS local offices to DWS local offices. It is not realistic, however, to expect the client's experience to change simply as a result of this. Consideration needs to be given as to just what is to happen differently.

There are many questions to be considered in this area, such as:

- How will case management be coordinated with other service provision, such as MA, food stamps, and child care?
  - How will services available through the formerly separate programs/funding streams be coordinated?
  - How will TEA clients be referred for services?
  - How will the services available through the workforce system be maximized?
  - How will the services available through the Faith Factor contractors be accessed?
- 4) What problems or challenges might exist to the implementation of these changes? In order to answer this question, careful consideration of attitudes, experience, and knowledge must occur. There are different ways of doing business, ingrained attitudes or other behaviors between DHHS and DWS that might create challenges as the transition moves forward. Evidence of this has already been presented, such as comments made by staff when discussing the fact that TEA clients more often than not bring their children with them to the office for appointments, potentially disrupting the "professional" environment preferred by DWS staff. Issues such as these should be surfaced and consideration should be given as to how to address them.

Given that the Transition Workgroup has a subcommittee dedicated to considering the client's experience—the client services subcommittee—and that this subcommittee is chaired by the ATEB's Executive Director, it would be appropriate for it to assume responsibility for ensuring these questions are addressed and then considered by the entire Transition Workgroup.

***A process must be established for ensuring oversight of the transition process, including the establishment of a detailed implementation plan and appropriate benchmarks.*** To date, a detailed implementation plan has not been approved by the Transition Workgroup, although a draft plan was submitted for its review on December 19, 2005. This presents an opportunity to develop and adopt a plan that goes beyond administrative concerns, as well as to ensure that those aspects of the plan that relate to specific administrative concerns are complete.

In addition, Act 1705 requires the Transition Workgroup to develop measures and benchmarks to gauge progress of implementation. To date, these benchmarks have not been established. It should be noted that some benchmarks were recommended to the Transition Workgroup by DHHS and DWS at its December 19, 2005 meeting, including:

- Target dates of the Implementation Plan have been met.
- The TEA program has been fully integrated into the State's public workforce system and TEA clients are benefiting from the services offered by partners.
- Staff has been oriented and trained and are confident in their role in the TEA program and workforce system.
- Client satisfaction of TEA clients.
- Increase in the number of TEA/TANF eligibles entering jobs that have a career path or entering vocational training that will lead to long-term self sufficiency.
- Job retention/earnings gain – success in the workforce.

This list raises a number of questions, ranging from how to measure whether target dates have been met when no dates have yet to be established to knowing how to define "fully integrated" in terms of the TEA program in relation to the public workforce system. Rather than working off this list, the Transition Workgroup might be better served by using the "line of sight" exercise to establish benchmarks, including measures of inputs/activities, process outputs, intermediate outcomes, and end outcomes.

***A concentrated effort needs to be made to ensure a clear message about the transition and expectations related to improved client outcomes is developed and communicated.*** Communications surrounding the transition of the TEA program have not, to date, been clear and consistent as to the intended purpose of the transition. This was most evident in the initial communications regarding the transition shared with DHHS staff identified to move to DWS as well as current TEA clients.

Although there has been some improvement over time in terms of articulating the broad purposes of the move, to date there is still not one clear message or a related overall communication plan designed to promote this message to current clients, newly-transferred former DHHS staff and now DWS staff, existing DWS staff, Arkansas Workforce Center staff, or the general public. The Transition Workgroup's subcommittee dedicated to communications should assume responsibility for these activities, and there are indications—such as the recent crafting of a related mission statement—that work along those lines is beginning.

***Concurrently, DHHS and DWS must take steps to monitor several areas of potential concern related to the transition and to report on any issues that arise in these areas to the Transition Workgroup in a timely fashion.*** As previously noted, questions can be raised about some of the administrative steps taken to date and several areas of potential concern must be monitored closely.

## **EVALUATION OF ARKANSAS' TRANSITIONAL EMPLOYMENT ASSISTANCE (TEA) PROGRAM**

### **THIRD BIENNIAL REPORT: *Status Report on New Program and Service Delivery Initiatives***

**January 2006**

#### **Section 6: Appendix**

Appendix A: PSI Case Management Standards and Performance

Appendix B: CAPPD Case Management Standards and Performance

### **Appendix A: PSI Case Management Standards and Performance**

Pulaski	Case Management		Indicators and Targets		Contract Ann. Avg Y-T-D	Oct - Dec '05 Quarter	Performance Target	Incentive Target
	Sep-05	Oct-05	Nov-05	Dec-05				
Initial Hr/Wage	\$ 7.24	\$ 7.52	\$ 7.33	\$ 7.73	\$ 7.46	\$ 7.53	\$7.36=>	\$7.60=>
Job Retention	84.87%	85.43%	85.62%	85.99%	85.48%	85.68%	84%=>	88%=>
Work Participation Rate	21.84%	24.87%	23.70%	27.71%	24.53%	25.43%	41%=>	50%=>
Assessments - (completed timely)	33.75%	6.79%	33.66%	66.44%	35.16%	35.63%	95%=>	
Job Placements	8.65%	15.25%	24.61%	25.48%	18.50%	21.78%	16%=>	
# of Clients Assigned	601	531	447	467				
# of Recipient Placements	52	81	110	119				
Retention Hr/Wage	\$ 7.28	\$ 7.41	\$ 7.40	\$ 7.55	\$ 7.41	\$ 7.45	\$7.30=>	
% of Clients Assigned & Engaged	43.93%	72.69%	82.33%	87.58%	71.63%	80.87%	71%=>	
# of Clients Assigned	601	531	447	467				
# of Clients Engaged	264	386	368	409				
Closures Due to Employment	50.49%	57.52%	59.22%	47.52%	53.69%	54.75%	65%=>	
# of Clients Closures Due to Employment	52	88	122	307				
# Total Closures	103	153	206	646				
% Individuals Engaged in Ed/Training Activities	54.19%	82.22%	86.73%	87.50%	77.66%	85.48%	89%=>	
% of Time-Limited Adults Participats Compared to Deferred & Sanctioned	21.42%	18.96%	18.01%	27.53%	21.48%	21.50%	18.25%=<	
# of Clients Sanctioned	122	116	111	232				
# of Clients Deferred	153	157	158	168				
Time-Limited Adults	1,284	1,440	1,494	1,453	1,418	1,462		

## Appendix B: CAPPD Case Management Standards and Performance

Jefferson	Case Management Indicators and Targets				Contract Ann. Avg Y-T-D	Oct - Dec '05 Quarter	PerformanceTarget	Incentive Target
	Sep-05	Oct-05	Nov-05	Dec-05				
<b>Initial Hr/Wage</b>	\$ 7.25	\$ 7.34	\$ 6.98	\$ 8.06	\$ 7.41	\$ 7.46	\$7.30=>	\$7.55=>
<b>Job Retention</b>	77.43%	80.00%	80.29%	80.29%	79.50%	80.19%	74%=>	77>%
<b>Work Participation Rate</b>	19.00%	28.31%	34.63%	16.50%	24.61%	26.48%	36%=>	43.5>%
<b>Assessments - (completed timely)</b>	100.00%	76.92%	84.62%	95.86%	89.35%	85.80%	95%=>	
<b>Job Placements</b>	5.10%	8.00%	10.62%	2.90%	6.66%	7.17%	16%=>	
# of Clients Assigned	196	250	226	207				
# of Recipient Placements	10	20	24	6				
<b>Retention Hr/Wage</b>	\$ 7.21	\$ 7.20	\$ 7.22	\$ 7.23	\$ 7.22	\$ 7.22	\$7.00=>	
<b>% of Clients Assigned &amp; Engaged</b>	54.59%	68.00%	83.19%	34.30%	60.02%	61.83%	67%=>	
# of Clients Assigned	196	250	226	207				
# of Clients Engaged	107	170	188	71				
<b>Closures Due to Employment</b>	31.03%	33.33%	50.00%	42.86%	39.31%	42.06%	60%=>	
# of Client Closures Due to Employment	18	21	21	24				
# Total Closures	58	63	42	56				
<b>% Individuals Engaged in Ed/Training Activities</b>	80.36%	86.42%	91.57%	11.54%	67.47%	63.18%	80%=>	
<b>% of Time-Limited Adults Participats Compared to Deferred &amp; Sanctioned</b>	27.32%	18.25%	21.70%	23.89%	22.79%	21.28%	36.5%=<	
# of Clients Sanctioned	73	47	59	64				
# of Clients Deferred	39	30	33	38				
<b>Time-Limited Adults</b>	410	422	424	427	421	424		

## **EVALUATION OF ARKANSAS' TRANSITIONAL EMPLOYMENT ASSISTANCE (TEA) PROGRAM**

### **THIRD BIENNIAL REPORT: *Status Report on New Program and Service Delivery Initiatives***

**January 2006**

#### **Section 7: Glossary of Terms**



## **Section 7: Glossary of Terms**

<b>AATYC</b>	Arkansas Association of Two Year Colleges
<b>ACES</b>	Arkansas Client Eligibility System
<b>AFDC</b>	Aid for Families with Dependent Children
<b>ANSWER</b>	Arkansas Networked System for Welfare Eligibility and Reporting
<b>AOC's</b>	Area Operations Chiefs – Employment Security Department Area Chiefs
<b>ARKids</b>	State expansion of Medicaid program
<b>AWC</b>	Arkansas Workforce Center
<b>ATEB</b>	Arkansas Transitional Employment Assistance Board. Designs and implements the Arkansas Welfare Reform program/TEA
<b>AWIB/SWIB</b>	Arkansas Workforce Investment Board/State Workforce Investment Board. Responsible for broad coordination and strategic planning for WIA board is appointed by the governor
<b>CAPDD</b>	Central Arkansas Planning and Development District
<b>DCC</b>	Division of Child Care
<b>DCO</b>	Division of County Operations
<b>DHE</b>	Department of Higher Education
<b>DHHS</b>	Department of Health and Human Services
<b>DWE</b>	Department of Workforce Education
<b>DWS</b>	Department of Workforce Services
<b>EBT</b>	Electronic Benefit Transfer
<b>ESD</b>	Employment Security Department
<b>FBCI</b>	Faith-Based and Community Initiatives
<b>FBCO</b>	Faith-Based and Community Organizations
<b>FPL</b>	Federal Poverty Limit
<b>IDA</b>	Individual Development Account
<b>ITA</b>	Individual Training Account. Training funds provided to WIA clients
<b>LEO/CLEO</b>	Chief local Elected Official. Person who appoints the members of the LWIB.
<b>LWDA</b>	Local Workforce Development Area
<b>LWIB</b>	Local Workforce Investment Boards. Responsible for delivering WIA program services.
<b>MDRC</b>	Manpower Demonstration Research Corporation
<b>MOU</b>	Memorandum of Understanding
<b>NAFTA</b>	North American Free Trade Agreement
<b>PRWORA</b>	Personal Responsibility and Work Opportunity Reconciliation Act
<b>PY</b>	Program year
<b>RFP</b>	Request of Proposal
<b>SEARK</b>	Southeast Arkansas College
<b>SGFF</b>	Southern Good Faith Fund
<b>TAA</b>	Trade Adjustment Assistance
<b>TANF</b>	Temporary Assistance for Needy families – funding source for TEA.
<b>TEA</b>	Transitional Employment Assistance Program
<b>USDHHS</b>	U.S. Department of Health and Human Services
<b>USDOL</b>	U.S. Department of Labor
<b>WAGE</b>	Workforce Alliance for Growth in the Economy certificate program offered through Department of Workforce Education
<b>WDA</b>	Workforce Development Areas
<b>WIA</b>	Workforce Investment Act
<b>WIB</b>	Workforce Investment Board
<b>WISE</b>	Work Information System Exchange